GPEDC'S PILOT INDICATORS: REFINED METHODOLOGIES FOR INDICATORS 1, 2 AND 3

Global Partnership Steering committee meeting

3-4 September 2015, Mexico

This document presents refined methodologies for the GPEDC pilot indicators 1, 2 and 3.

This document is shared with the members of the Steering Committee for endorsement of the proposed methodologies and processes for indicator 1, 2 and 3 to be part of the GPEDC's second monitoring round.

Contacts:

Mr. Alejandro Guerrero. Tel: +33 1 45 24 83 63, email: alejandro.guerrero-ruiz@oecd.org
Ms. Julie Seghers, Tel: +33 1 45 24 90 36, email: julie.seghers@oecd.org
Ms. Yuko Suzuki Naab, Tel: + 1 212 906 6509, email: yuko.suzuki@undp.org
Ms. Liz J.E. Chung Tel: +1 718 483 6675, email: liz.chung@undp.org

TABLE OF CONTENTS

Introduction

The pilot indicators' methodology was developed and further refined by the UNDP-OECD Joint Support Team based on lessons learned from the first monitoring round 2013-2014, light testing of revised methodologies, and through extensive consultation with a wide range of stakeholders, including experts from developing and developed countries and representatives from non-state actors such as CSO groups and private sector. The approach was further reviewed by the GPEDC Monitoring Advisory Group (MAG), which was established in May 2015. The feedback from the MAG provided very relevant technical guidance on the refinement process for the pilot indicators' methodologies and data gathering processes for the pilot indicators.

The pilot indicators methodologies described in this document include:

> **Indicator 1:** Development Co-operation is Focused on Results that Meet Developing Countries' Priorities,

> **Indicator 2:** Civil Society Operates within an Environment which Maximises its Engagement in and Contribution to Development, and

> **Indicator 3**: Engagement and Contribution of the Private Sector to Development

The upcoming 8th Steering Committee Meeting of the GPEDC will confirm the proposed methodologies. A proposed consultation process for the remaining pilot indicator (Indicator 4, on transparency) will be also agreed during the abovementioned meeting, given recent methodological developments in the statistical systems that provide global-sourced data for that indicator.

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

The purpose of this indicator is to provide objective information on the extent to which, and the ways in which, existing country-led and country-level results frameworks are used by providers as a guiding tool to focus development co-operation on results that meet developing countries' priorities.

The main focus of the indicator (1a) is to measure the extent of use of objectives and results indicators that are drawn from country-owned results frameworks by providers of development co-operation in designing new programmes and projects and reporting on their results. Country-owned results frameworks (CRFs) include any form of government-led planning instrument where development priorities, goals and targets are defined in detail. Given that CRFs are often specified at the sector level, priority is given to alignment of providers' interventions with sector CRFs –although other national and subnational planning instruments can serve as a reference too. The behavioural change pursued by this indicator is to gear development co-operation providers to assess performance based on indicators that are drawn from existing country-led results frameworks and tracked through country monitoring systems and statistics, minimising the use of ad hoc or parallel results frameworks by development co-operation providers.

While the indicator focuses on mapping out providers' behaviour in different countries and sectors, the data collection is complemented with an additional module (1b) that provides a descriptive assessment on the existence and characteristics of existing CRFs in the country (or alternative country-specific priority-setting mechanisms. This qualitative information will contextualise the country-level findings reported for sub-indicator 1a, in order to provide a complete snapshot of the situation at the country level and help inform policy discussions on how to strengthen collaboration between the country's priority-setting institutions and providers of development co-operation.

Relevant Busan commitment

The Paris Declaration (§45) and Accra (§23) commitments, as reaffirmed in Busan, called for relying on partner country results frameworks and monitoring and evaluation systems in order to increase the focus on development results that meet developing countries' priorities.

Specifically, the Busan commitment (§18b) states that, where initiated by the developing country, transparent, country-led and country-level results frameworks would be adopted as a common tool among all concerned actors to assess performance based on a manageable number of output and outcome indicators drawn from the development priorities and goals of the developing country. Providers of development co-operation also agree to minimise the use of additional frameworks, refraining from requesting the introduction of performance indicators that were not consistent with countries' national development strategies.

Indicator construction	**Measurement**

1a. Providers' extent of use of country-owned results frameworks
 	
A. Q^{g+} 1: Percentage of providers' new interventions that draw their objectives from country-owned results frameworks.
 	
B. Q^{g+} 2:
 	
Numerator: Number of results indicators in providers' interventions results frameworks that are drawn from country-owned results frameworks.
 	
Denominator: Total number of results indicators incorporated in providers' interventions results frameworks.
	Extent of use of country results frameworks by providers[1], for development co-operation programming and results-reporting stages. The questionnaire covers three components:
	    (a) alignment of the intervention's <u>objectives</u> with existing government-owned results frameworks and planning tools;
	    (b) use of <u>results indicators</u> drawn from these instruments; and
	    (c) use of ongoing <u>government-sourced data</u> to report on the intervention's results.
	
	A composite score is calculated using the un-weighted average scores from the three survey components. For legibility and reporting purposes, composite scores will be reclassified using a graduated scale to assess the extent

---

[1] Note that, at the empirical level, country results frameworks are often operationalised at different levels (e.g. sector level). Therefore, the definition of country-led results framework allows for the possibility to use other equivalent priority setting mechanisms at the country level since not all countries articulate their priorities through consistent, integrated Country Results Frameworks. Where there is no single agreed common Country Results Framework in existence, providers must clearly indicate the results framework that they used in designing their development intervention. In the absence of common CRFs, providers may wish to indicate alignment to other equivalent priority setting mechanisms (if any) such as use of sector plans and strategies. Where relevant they may also refer to national or subnational frameworks.

C. Q^{g+} 3:

Numerator:	Number of results indicators that are planned to be reported using ongoing sources of information from existing country-owned monitoring frameworks.
Denominator:	Total number of results indicators (output/outcome indicators) that are reported in the intervention's closing document (i.e. included in the results framework or log-frame)

1b. Assessment of country context

To better understand the country context in terms of existing priority-setting mechanisms, a guided qualitative question focuses on describing the country's current arrangements to set sector priorities, goals and targets, and in broadly identifying the existence of different planning tools and the overall characteristics of the country's planning process.

to which providers of development co-operation use existing (sector-level) country results frameworks, within the following range: none to limited use, moderate use, high use, full use, on the basis of the proposed dimensions.

The composite score is constructed by the aggregation of the three dimensions being assessed (i.e. CRF alignment of interventions' objectives; extent of use of CRFs to define interventions' results frameworks; extent of use of country monitoring frameworks to report on results of interventions).

The monitoring data will reflect:

(a) The extent to which providers of development co-operation use *objectives* drawn from country-owned results frameworks in programming new interventions;

(b) The extent to which providers of development co-operation use *results indicators* drawn from country-owned results frameworks in designing the results frameworks/logical frameworks of new interventions

(c) The extent to which providers of development co-operation plan to rely on *data sources* being tracked by existing government monitoring systems and statistical systems to report on these indicators of results (i.e. no intervention-specific data sources and measurements).

Data source	Aggregation
Country-level data. Data will be collected, validated and aggregated at the country level by the government, with inputs from providers of development co-operation. Periodicity to be determined at country level depending on needs and priorities and existing mutual accountability review processes.	Aggregated data is reported at the global level (providers of development co-operation). Data will also be reported for each country in order to inform country-level policy dialogue. The unit of observation is the provider's intervention in a given developing country. For reporting, the aggregation is carried out by nesting projects per provider in each country, and then averaging the extent of use of existing CRFs by providers at the country level. Reporting per provider at the global level will also be offered.
Baseline	**Target**
This monitoring round will establish the baseline for the indicator.	All providers of development co-operation use country-owned results frameworks in preparing their interventions. Rationale: based on the Busan commitment which calls on all actors to change behaviour in this area.

Note: This is a new indicator. The proposed methodology was developed against the lessons learnt from piloting a previous approach in eight countries and through follow-up consultation rounds with groups of experts on results framework and development planning in developing and developed countries. A revised version of the methodology was light-tested in Bangladesh, generating useful feedback on how to fine-tune the data gathering process. The GPEDC Monitoring Advisory Group provided a final assessment to the proposed approach to further refine the methodology, whose recommendations are embedded in the proposed approach.

This indicator seeks to measure the extent to which, and the ways in which, transparent, country-led and country-level results frameworks (CRFs) are used by all concerned stakeholders to assess the performance of development co-operation efforts. In particular, the methodology assesses the degree to which providers of development co-operation rely on indicators drawn from existing (sector-level) results frameworks[2] that reflect the country's development priorities and goals, and minimise the use of additional and parallel frameworks by providers of development co-operation.

The measurement of providers' use of CRFs focuses on assessing the degree of reliance on existing country-led results frameworks and its related monitoring arrangements by development co-operation providers in designing new interventions. Regarding the extent of use of existing operational CRFs in designing their interventions, the indicator measures the extent of use of objectives and results indicators drawn from existing operational CRFs, often formulated in results frameworks and planning documents at the sector level. Regarding the reporting on development results, the indicator measures the extent of use of results (output/outcome) indicators being monitoring and tracked by the government on a regular basis using its own monitoring systems (i.e. in contrast with project-driven / project-specific indicators).

Measuring the alignment of providers' new development interventions to country priorities in terms of intervention design and type of results reporting provides relevant indication of substantial and sustained use of country-owned results frameworks by providers.

Finally, to better understand the country context in terms of priority-setting mechanisms, a guided question[3] focuses on describing the country's existing arrangements to set sector priorities, goals and targets.

Data Gathering Process

The data gathering process is grounded at the project level, and aggregated at the provider- and country levels. The process is organised as follows:

> 1. **National co-ordinators** send a request for information to the **providers' focal point** at the country level, attaching two template tables (described below) provided by the GPEDC Joint Support Team. The tables are then shared with the contact person at the country office level for each active provider in the country;
>
> 2. **Providers** fill the tables, providing an estimate of the extent of use of existing CRFs for the year of reference (i.e. 2015) for newly-approved interventions. Only interventions equal to or above US$1 million are included[4]. As means of verification for the national co-ordinator and the GPEDC, the list of supporting evidence is either linked or attached to the submission (i.e. project approval documents for new projects, existing project completion documents for completed projects, and any government-led results frameworks or planning documents listed as supported evidence for the estimates);
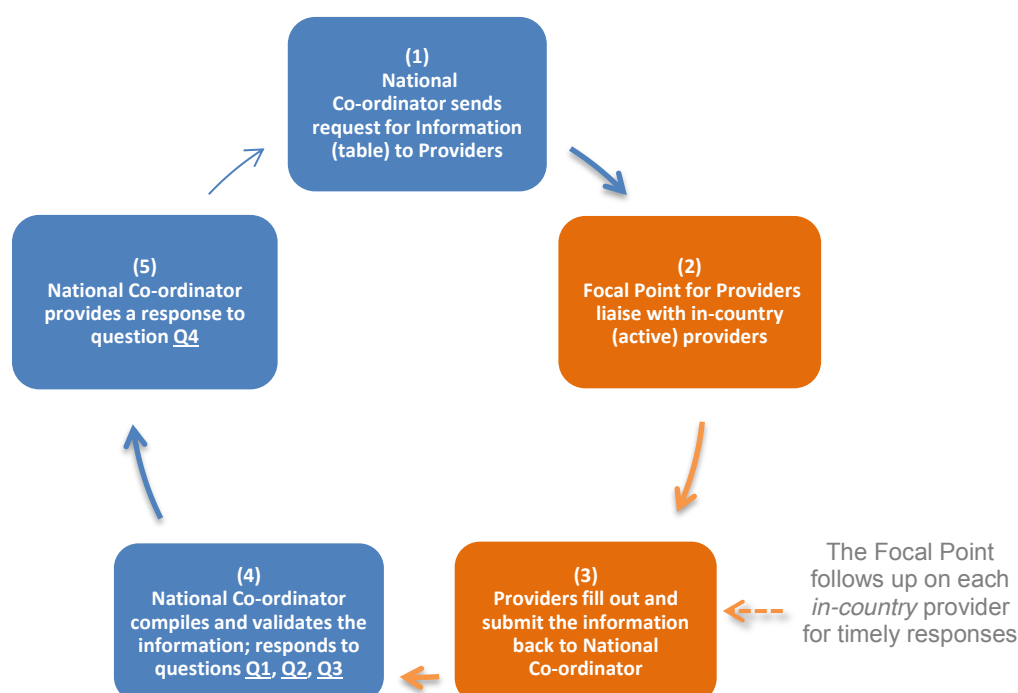
---

[2] The focus on sector-level results frameworks is based on empirical observation as well as on feedback from developing country experts, for it is often at sector level where development priorities are operationalised into meaningful results indicators. That said, the methodology allows for also relying the assessment of use of indicators set by the government at the national and sub-national levels where this is relevant according to the project's objectives.

[3] Guiding questions based on other results-based management diagnostics tools will help focus the responses on key characteristics of country-level priority-setting arrangements. National coordinators are also invited to rely on the evidence facilitated by providers for sub-indicator (1a) to prepare the response.

[4] For special cases in which providers have a large number of newly-approved interventions or no interventions above US$ 1 million, please proceed as follows: a) In the event that you approved more than 10 interventions over US$1 million in the country during 2015, limit your reporting to the 10 largest interventions; (b) In the event that you had no new interventions over US$1 million approved during 2015 in the country, but you did approve smaller interventions during that year, please report at least on the largest intervention approved within the year.

3. The **focal point for providers** coordinates the preparation of the tables and compiles the submission of the package to the national co-ordinator;

4. The **national co-ordinator** validates the consistency and accuracy of the information provided by the tables, in liaison with other relevant government counterparts (when needed). The estimates are then aggregated at the provider- and country levels and used to answer Q^g+1 and Q^g+2. In light of the evidence, national co-ordinators may then complete Q^g+3, in liaison with relevant government counterparts, providers and other stakeholders, as needed.

5. The **national co-ordinator** shares the final responses (and supporting means of verification) with the GPEDC UNDP-OECD Joint Support Team.

Figure. Data Gathering Process for Indicator 1

Methodological clarifications

- By focusing only on interventions that have been recently approved in the year of reference (i.e. in 2015), the indicator aims at reporting on *the most recent* behaviour of providers (avoiding reporting on projects that were designed in previous years).
- By focusing on interventions (equal to or above US$1 million), the indicator avoids overburdening national coordinators and providers in the data collection effort while still capturing a representative sample of providers' current practices (i.e. the largest portion of development co-operation financing flows).
- Simulations with data on interventions approved for 2015 in countries that have expressed interest in participating in the 2015-2016 Monitoring Round estimated a manageable average number of projects being assessed in each country. As a reference, the largest providers of development co-operation will report on 2 interventions per country, on average. For very exceptional country cases in which some providers have approved a very large number of interventions during 2015 (e.g. Afghanistan), they are asked to limit their reporting to the 10 largest interventions in that particular country. For providers with no new interventions above US$ 1 million, they are asked to report at least on the largest intervention in the country approved in 2015, even if the associated committed resources for the intervention are below US$ 1 million.

Overall, this methodological approach ensures comparative consistency across countries and within each country, and across providers of development co-operation, generating evidence that could both serve for incentivising greater focus on results that meet developing countries' priorities; for better understanding the context for

strategic planning in the country; and for identifying areas and sectors where institutional strengthening could be most helpful.

COUNTRY-LEVEL DATA COLLECTION PROCESS

● **PROVIDERS –** Please facilitate the following information to the government's national co-ordinator:

For ALL your programmes/projects <u>approved</u> in the country during 2015*
Only include programmes/projects equal to or over US$1 million (original approved total amount)

2015 Programmes and Projects *(approved in/after 1 Jan 2015)*	Project 1	Project 2	...
Name of the Intervention			
Type of Intervention			
Amount (US$)			
Sector(s) (if multi-sector, indicate up to three major sectors directly benefited by the intervention, in order of importance)			
Beneficiary entity			
1. The intervention's objective reflects objectives explicitly stated in existing country-owned results frameworks (yes/no)			
A. Total number of results indicators included in the intervention's results framework or *log-frame*			
B. Number of results indicators drawn from existing government results frameworks (and other planning documents)			
C. Number of results indicators that will be reported using ongoing sources of information from existing country monitoring systems and statistical data (i.e. no intervention-specific indicator sources)			
2. Extent of use of existing country-owned results frameworks in planning the intervention's results (%) (i.e. divide B / A)			
3. Extent of use of existing country-led results monitoring frameworks in tracking and reporting on results of the intervention (%) (i.e. divide C / A)			
Means of verification: • List (and attach or provide link) to the country-led (sector) results frameworks, planning documents and/or country monitoring systems referenced to provide the estimates for questions (1), (2) and (3) in the above table.			

Notes:

- In submitting the table to the national co-ordinator, please provide the electronic links or attach the means of verification for your estimates (i.e. programme or project approval documents, referred government results frameworks and/or other planning documents that support your estimate, referred country data sources).

- Given that output and outcome indicators are typically englobed within the definition of results indicators, for the purposes of this survey please focus on assessing the set of output and outcome indicators included in the intervention's results framework.

* Note to providers, for special cases:

(a) In the event that you approved <u>more than 10 interventions over US$1 million</u> in the country during 2015, limit your reporting to the 10 largest interventions; (b) In the event that you had <u>no new interventions over US$1 million</u> approved during 2015 in the country, but you did approve smaller interventions during that year, please report at least on the largest intervention approved within the year.

● **GOVERNMENT –** In order to provide a response to the following questions, please gather and validate the information submitted by each development co-operation provider, liaising with other government counterparts as needed/if needed.

Once you have validated the tables submitted by each provider of development co-operation, please use the following section of the GPEDC Country Spreadsheet to compile the information for each dimension. The average score for each dimension ($Q^{g+}1$; $Q^{g+}2$; $Q^{g+}3$) and the composite indicators will automatically be calculated in the country spreadsheet. Use the information submitted by providers to answer the above-mentioned questions.

	Indicator 1.	Provider A	Provider B	...	Average Score
1	$Q^{g+}1.$ **Use of existing CRFs to define objectives of new interventions** (% of interventions relying on existing CRFs)				
2	$Q^{g+}2.$ **Use of existing CRFs to define results frameworks of new interventions** (% of indicators relying on existing CRFs)				
3	$Q^{g+}3.$ **Reliance of existing country-led monitoring systems and sources to track and report on the results of new interventions** (% of indicators relying on existing country-led sources)				
	Provider-level composite indicator:				
	Country-level composite indicator:				

QUESTIONNAIRE

1.A.) EXTENT OF USE OF COUNTRY-OWNED RESULTS FRAMEWORKS BY PROVIDERS OF DEVELOPMENT CO-OPERATION

For providers' <u>approved</u> interventions in 2015:

$Q^{g+}1.$ **Do the interventions draw its <u>objectives</u> from country-led (sector) results frameworks, plans and strategies?**

Answer: ____

→ **Average score for providers' interventions:** 0% to 100% of providers' interventions are aligned in objectives

$Q^{g+}2.$ **What is the share of <u>results indicators</u> included in the intervention's results framework/logical framework that draw on results indicators from existing country-led (sector) results frameworks, plans and strategies?**

Answer: ____

→ **Average score for provider's interventions:** 0% to 100%

$Q^{g+}3.$ **What is the share of results indicators that will rely on <u>sources of data</u> provided by existing country-led monitoring systems or statistical systems?**

Answer: _____

→ **Average score for provider's interventions:** 0% to 100%

Qᵍ4. Briefly describe the main characteristics of the country's results framework or any other similar priority-setting mechanism that the country uses to set development goals and targets.

Answer: _____ (max. 500 words)

Guiding questions:

   a. *Is there a legal framework (law or decree) that regulates how the country's planning system operates? Who is/are in charge of planning?*
   b. *How are institutional responsibilities for planning and monitoring on results allocated within the government, and particularly at the sector level? Is planning mandatory for the whole of government administration (i.e. national, sector, subnational)? Is it required to link planning goals and indicators to budget allocations?*
   c. *How are non-government stakeholders (parliament, providers, private sector, civil society, trade unions, subnational governments, etc.) engaged in the definition of the country's priorities, goals and targets?*
      (Tip: review the feedback and responses related to Indicators 2 and 3 to report on this dimension)
   d. *How are providers engaged in defining and strengthening the country's results framework, and in providing information to track and report on results?*
      (Tip: review the information collected from providers for indicator 1a to report on this dimension)

In addition, if any of the following government documents exist, national co-ordinators are invited to check the relevant boxes (and provide the relevant links or attach the documents to the final submission):

☐ Long-term vision document for the country that goes beyond the government's mandate (typically for 10 years or more)

☐ Mid-term national development plan or government plan for the country (typically for 4-6 years)

☐ Medium-Term Expenditure (or Budget) Framework (METF)

☐ Sector programmes or strategies in any of the following sectors (currently being use for sector planning):

   ☐ Transport   ☐ Education   ☐ Healthcare   ☐ Public Finance

☐ *Common Results Frameworks* agreed between the Government and providers of development co-operation

☐ Joint Government/Multi-Donor Programme, Compact or Facility

● **Composite Score for Indicator (1a) –** A composite score for indicator 1(a) is constructed by the un-weighted aggregation of scores for the three dimensions being assessed (i.e. alignment of interventions' objectives with existing CFRs; extent of use of CRFs to define interventions' results frameworks; extent of use of existing country monitoring frameworks to track and report on the results of interventions).

For legibility and interpretability, the composite score will be reported using a graduated scale to assess the extent to which providers of development co-operation use existing country-owned results frameworks, within the following range:

- o Limited use (0-25%),
- o Moderate use (25-50%),
- o Extensive use (50-75%),
- o Full use (75-100%).

Levels of Aggregation

- **At the country level (country):**

The unit of observation is the provider's intervention in a given developing country. For reporting, the aggregation is carried out by nesting projects per provider in each country, and then averaging the extent of providers' use of existing CRFs at the country level.

- **At the provider level (global):**

The indicator is constructed to allow for representative reporting on providers' behaviour at the global level will also be offered.

● **Narrative Reporting for Indicator (1b) –** Brief contextual information on the country's existing institutional arrangements for setting priorities and targeting results will be provided, relying on the descriptive information gathered throughout the complementary question (Q4), the reported existence of different types of planning instruments used by the government, and the complementary evidence at the sector level identified during the data gathering process for indicator (1a).

Country Results Framework/s (CRF)	Country results frameworks define a country's approach to results and its associated monitoring and evaluation systems focusing on performance and achievement of development results. They include agreed objectives and output / outcome / impact indicators with baselines and targets to measure progress in implementing them, as stated in national development strategies, sector plans, subnational strategies and other frameworks (*e.g.* budget support performance matrices). In practice, country results frameworks are often operationalised at different levels (e.g. sector level). The definition of country-led results framework used in GPEDC Monitoring Framework allows for the possibility to use equivalent priority-setting mechanisms at the country level since not all countries articulate their priorities through consistent, integrated Country Results Frameworks.
Long-term vision	Long-term vision plans set the longer-term perspective (typically for more than 8-10 years) and development objectives for the country and therefore represent the overarching framework for all Government activities.
National development strategies	National development strategies include Poverty Reduction Strategy Papers (PRSPs) and/or similar overarching strategies. These are typically prepared to cover a clearly identified period of time covering several years. The quality of these national development strategies in operational terms depends on the extent to which they constitute a unified strategic framework to guide the country's development policy and include strategic priorities linked to a medium-term expenditure framework and reflected in annual budgets. They are expected to have been developed through an inclusive consultative process involving the full range of relevant development stakeholders at country level.
Medium-Term Expenditure (or Budgetary) Framework (METF/MBTF)	Medium-term Expenditure Frameworks (METF), also known as Medium-term Budgetary Frameworks (MTBFs), are defined as those fiscal arrangements that allow governments to extend the horizon for fiscal policy-making beyond the annual budgetary calendar. Although the approval of the annual budget law remains the key step in which important decisions on budgetary policy are adopted, most fiscal measures have budgetary implications that go well beyond the usual yearly budgetary cycle. As a result, a single year perspective provides a poor basis for sound fiscal planning. METFs/MTBFs usually cover the preparation, execution, and monitoring of multi-annual budget plans and contain both expenditure and revenue projections as well as the resultant budget balances
Sector-wide Approach (SWAp)	Sector-Wide Approach (SWAp) is an approach to international development that brings together governments, donors and other stakeholders within any sector. It is characterized by a set of operating principles rather than a specific package of policies or activities. The approach involves movement over time under government leadership towards: broadening policy dialogue; developing a single sector policy and a common realistic expenditure program; common monitoring arrangements; and more coordinated procedures for funding and procurement.
National statistical systems	The national statistical system includes all the statistical organisations and units within a country that jointly collect, process and disseminate official statistics on behalf of the national government.
Programme-based approaches	Programme-based approaches are a way of engaging in development co-operation based on the principles of co-ordinated support for a locally owned programme of development, such as a national development strategy, a sector programme, a thematic programme or a programme of a specific organisation. Programme-based approaches share the following features: i) leadership by the host country or organisation; ii) a single comprehensive programme and budget framework; iii) a formalised process for donor-coordination and harmonisation of procedures for reporting, budgeting, financial management and procurement; iv) efforts to increase the use of local systems for programme design and implementation, financial management, monitoring and evaluation. Providers of development co-operation can support and implement programme-based approaches in different ways and across a range of modalities, including budget support, sector budget support, project support, pooled arrangements and trust funds.

Results indicators	Results indicators are a measure that is used to demonstrate change in a situation, or the progress in, or results of, an activity, project, or programme. Given that output and outcome indicators are typically englobed within the definition of results indicators, for the purposes of this survey please focus on assessing the set of output and outcome indicators included in the intervention's results framework.
Long-term vision	Long-term vision plans set the longer-term perspective (typically for more than 8-10 years) and development objectives for the country and therefore represent the overarching framework for all Government activities.
Joint Government/Multi-Donor Programme, Compact or Facility	Multiple forms of government-donor coordination frameworks have emerged since the Paris Declaration, generating related results frameworks, programmes or facilities that align development co-operation efforts with government-led development priorities.
	Examples of different types of joint Government/Multidonor coordination arrangements include Samoa's Joint Commitment for Development, Somalia's Development and Reconstruction Facility (and its Joint Sector Programmes), Bolivia's Joint Action Plan for Improving Public Financial Management, or the integrated Joint Donor Coordination Council in Afghanistan.
Poverty Reduction Strategy Papers (PRSPs)	Poverty Reduction Strategy Papers (PRSP) are joint development planning documents prepared by countries through a participatory process involving domestic stakeholders as well as development partners, including the World Bank and International Monetary Fund. Updated every three years with annual progress reports, PRSPs describe the country's macroeconomic, structural and social policies and programs over a three year or longer horizon to promote broad-based growth and reduce poverty, as well as associated financing needs and major sources of financing. During the preparation of updated versions of the document, Interim PRSPs (I-PRSPs) summarize the current knowledge and analysis of a country's poverty situation, describe the existing poverty reduction strategy, and lay out the process for producing a fully developed PRSP in a participatory fashion.

<table>
<tr><td colspan="2" style="text-align:center">INDICATOR 2. Civil society operates within an environment that maximises
its engagement in and contribution to development

INDICATOR SUMMARY SHEET</td></tr>
<tr><td colspan="2">

This indicator seeks to assess the extent to which governments and providers of development co-operation contribute to an enabling environment for CSOs (BPa §22a), and to which CSOs are implementing development effectiveness principles in their own operations (BPa §22b).

The indicator relies on a four-module qualitative questionnaire, completed throughout a multi-stakeholder process led by the government, and engaging civil society organisations, providers of development co-operation, and other relevant stakeholders. The dialogue process is designed to incentivise consensus around the responses – although parties can note diverging views on specific survey items if needed.

This indicator is primarily built to provide a useful tool to spark multi-stakeholder dialogue at the country level among governments, CSOs and providers, to identify progress as well as room for improvement in CSO enabling environment and CSO development effectiveness.

</td></tr>
<tr><td colspan="2">Relevant Busan commitment</td></tr>
<tr><td colspan="2">

The specific Busan commitment states that "[we will] implement fully our respective commitments to enable CSOs to exercise their roles as independent development actors, with a particular focus on an enabling environment, consistent with agreed international rights, that maximises the contributions of CSOs to development." (Busan §22a).

</td></tr>
<tr><td>Indicator construction</td><td>Measure</td></tr>
<tr><td>

The indicator is structured around a four module questionnaire, covering the following dimensions:

    (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.

The qualitative questions included in each module draw on the work of the *CPDE Working Group on CSO Enabling Environment* and the *Task Team on Enabling Environment and Development Effectiveness* (module 1 and 4), the *Istanbul Principles for CSO Development Effectiveness* and the *International Framework for CSO Development Effectiveness* (module 2), and the *OECD-DAC 12 Lessons for Partnering with Civil Society* (module 3).

</td><td>

The questionnaire responses offer detailed qualitative information at the country level context regarding the environment in which CSOs operate as well as the extent to which CSOs are engaged in development process and enabled to contribute in an effective way.

Given the context-assessment approach of this indicator, measurement at the global level will identify cross-cutting and specific challenges in enabling CSO engagement in development, and in identifying common patterns in those country cases that experienced positive transformations of CSO engagement –as to promote peer learning and greater focus on the factors that emerge from the analysis as most relevant conditions for making country-level progress in strengthening CSO engagement.

</td></tr>
<tr><td>Data source</td><td>Aggregation</td></tr>
<tr><td>

Country-level qualitative data, gathered throughout multi-stakeholder dialogue processes.

</td><td>

The unit of observation is the individual country, as the qualitative data reflects specific country contexts for inclusive development partnerships involving CSOs, helping parties identify strengths and opportunities at the country level.

At the global level, the evidence will allow highlighting differences in the relevance and level of progress across the dimensions of the assessment.

</td></tr>
<tr><td>Baseline</td><td>Proposed target</td></tr>
<tr><td>

This monitoring round will provide the baseline scenario at the country level. Further monitoring rounds will allow tracing trends in terms of progress in strengthening the enabling environment for CSOs.

</td><td>

Continued progress over time.

Rationale: there is no basis in the Busan Partnership agreement for a more specific target and the purpose of the indicator is to provide an entry point for a political discussion based on broad trends observed.

</td></tr>
</table>

INDICATOR 2 - "CIVIL SOCIETY OPERATES WITHIN AN ENVIRONMENT THAT MAXIMISES ITS ENGAGEMENT IN AND CONTRIBUTION TO DEVELOPMENT"

What does the indicator measure?

This indicator seeks to assess the extent to which governments and providers of development co-operation contribute to an enabling environment for CSOs (BPa §22a), and to which CSOs are implementing development effectiveness principles in their own operations (BPa §22b). 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. The qualitative questions included in each module draw on the work of the CPDE Working Group on CSO enabling environment and the Task Team on Enabling Environment and Development Effectiveness (module 1 and 4), the Istanbul Principles for CSO Development Effectiveness and the International Framework for CSO Development Effectiveness (module 2), and the OECD-DAC 12 Lessons for Partnering with Civil Society (module 3). This indicator is primarily built to provide a useful tool to spark multi-stakeholder dialogue at the country level among governments, CSOs and providers, to identify progress as well as room for improvement in CSO enabling environment and CSO development effectiveness.

Proposed monitoring process

The national co-ordinator, in liaison with colleagues from relevant government institutions/ministries [5], co-ordinates the overall data collection and validation process. Where possible, the national co-ordinator is encouraged to use existing in-country platforms to support the process, and to coordinate with the Global Partnership Initiative 12 — one of the 39 voluntary initiatives agreed in the GPEDC's 2014 Mexico Communiqué to foster country-level multi-stakeholder dialogue on civil society-related commitments on key areas of democratic and social inclusiveness. In order to facilitate the process and to ensure an inclusive approach, the national co-ordinator is invited to liaise with a focal point from civil society organisations and a focal point from providers to fill the questionnaire. The national co-ordinator is encouraged to (1) convene a multi-stakeholder dialogue to kick-off the process, (2) seek CSOs and providers' feedback on the questionnaire (CSO and provider focal points are invited to carry out consultations with their respective constituencies, and to provide consolidated feedback to the national co-ordinator) and (3) re-convene a multi-stakeholder dialogue at the end of the process to jointly discuss and validate the findings, before sending them to the JST. To the extent possible, the national co-ordinator will seek consensus in the responses. Where agreement between stakeholder groups is not reached, focal points are invited to flag any diverging view to the national co-ordinator. In those cases, the level of agreement of each stakeholder group regarding the responses compiled by the national co-ordinator will be registered in a table attached to the questionnaire (1. Question #; (2) Agree / Partially Agree / Disagree; (3) Comment).

Given that Indicator 2 is characterised by a relatively lengthy questionnaire [6] and that the data collection and validation process will entail active participation of multiple stakeholders, developing country governments can decide, on a case-by-case basis, to use the services of a consultant and/or think tank to support the process. The intervention of such a third-party entity could help avoid overburdening the national co-ordinator and ensure that the process enables a neutral and balanced assessment which effectively captures all stakeholders' views. In such cases, the national co-ordinator is invited to inform the JST, who will, to the extent possible, facilitate the process through technical support (e.g. making available standard terms of reference, providing a list of possible consultants, providing technical guidance to steer the consultant's work, etc.).

---

[5] The national co-ordinator can decide to engage colleagues from relevant central or line ministries working in relations to CSOs, and will be expected to liaise with the parliament focal point designated at country level for the whole monitoring process.

[6] The second monitoring round will provide an opportunity to further simplify the survey tool in subsequent monitoring rounds.

■ **GOVERNMENT** (in consultation with providers of development co-operation and civil society organisations) [Q^{g+}]

Note: A definition for terminology marked with the symbol "" is provided in the definitions table located after the questionnaire.*

MODULE 1. Space for multi-stakeholder dialogue on national development policies

Q^{g+}1. Are CSOs consulted by the government in the design, implementation and monitoring of national development policies? (Yes/No)

If <u>YES</u>: please describe how.

Guiding questions:
  a. *Are multi-stakeholder consultation processes institutionalised*, inclusive and accessible?*
  b. *Do these consultation processes take place at national and/or local levels?*
  c. *Are there feedback mechanisms demonstrating how different stakeholders' inputs have been taken into account?*
  d. *Are traditionally marginalised groups* included in these processes? Do these processes allow for equal and active participation?*
If <u>NO</u>: are you aware of any initiative to promote such consultation?

Q^{g+}2. Do CSOs have the right to access government information? (Yes/No)

If <u>YES</u>: please describe how.

Guiding questions:
  a. *Is the information timely? Is the information relevant (i.e. addresses key information needs)?*
  b. *Is this access guaranteed by law? Is this access guaranteed in practice (i.e. there are operational mechanisms in place to address requests for legally-disclosed information and to appeal on request denials)?*
If <u>NO</u>: are you aware of any initiative to promote information access?

Q^{g+}3. Are there resources and/or training opportunities for addressing capacity building of all stakeholders (including government, CSOs and co-operation providers) to engage meaningfully in multi-stakeholder dialogue? (Yes/No)

If <u>YES</u>: please describe them.

Guiding questions:
  a. *Are these adequate?*
If <u>NO</u>: are you aware of any initiative to promote such capacity building?

MODULE 2. CSO development effectiveness*: accountability and transparency

Q^{g+}4. In practice, are there CSO-managed processes in place to address transparency and multiple accountabilities in CSO operations*? (Yes/No)

If <u>YES</u>: please describe them.

Guiding questions:
  a. *Which level of accountability do they address (accountability to donors, governments, constituencies)?*
  b. *What proportion of CSOs participate in these mechanisms?*
  c. *How do CSOs certify that they are in compliance with an accountability mechanism?*
If <u>NO</u>: are you aware of any initiative to promote the creation of such accountability mechanisms?

Q^{g+}5. Do CSO-initiated coordination processes exist to facilitate consolidated and inclusive CSO representation in policy dialogue (e.g. umbrella organisation, CSO network, consultation practices)? (Yes/No)

If <u>YES</u>: please describe them.

If <u>NO</u>: are you aware of any initiative to promote the creation of such processes?

Q^{g+}6. Do mechanisms exist to facilitate coordination on programming among CSOs (collaboration to optimise impact and avoid duplication), and with other development actors? (Yes/No)

If <u>YES</u>: please describe them.

Guiding questions:
> a. *At what level (e.g. sector level or more broadly) do these mechanisms exist?*
> b. *Are these mechanisms institutionalised*, inclusive and accessible?*

If <u>NO</u>: are you aware of any initiative to promote the creation of such mechanisms?

Q^{g+}7. Are there other significant initiatives related to CSO development effectiveness principles [Istanbul Principles* and the International Framework for CSO Development Effectiveness*] being implemented at the country level? (Yes/No)

If <u>YES</u>: please describe how.

Guiding questions:
> a. *In what ways are CSOs working to improve their practices in relation to particular areas of development effectiveness (gender equality and women's rights, human rights based approaches, sustaining equitable partnerships) as set out in the Istanbul Principles*?*

If <u>NO</u>: are you aware of any initiative to promote such discussion?

Q^{g+}8. Do CSOs report annually to government on the basic finances, sectors of support, and main geographic areas of involvement in development? (Yes/No)

If <u>YES</u>: please describe how.

If <u>NO</u>: are you aware of any initiative to promote such reporting?

MODULE 3. Official development co-operation with CSOs

Q^{g+}9. Do providers of development co-operation* consult with CSOs on their development policy/programming in a systematic way? (Yes/No)

If <u>YES</u>: please describe how.

Guiding questions:
> a. *Are consultation processes institutionalised* inclusive and accessible?*
> b. *Are there feedback mechanisms demonstrating how CSOs' inputs have been taken into account?*
> c. *Do consultations take place at relevant levels (i.e. providers' headquarters, country offices)?*

If <u>NO</u>: are you aware of any initiative to promote such consultation?

Q^{g+}10. Are providers promoting a CSO enabling environment in their co-operation with civil society? (Yes/No)

If <u>YES</u>: please describe how.

Guiding questions:
> a. *Through a civil society policy:*
> *Do providers have an overarching civil society policy?*
> *If so, does it explain the purpose and modalities of supporting civil society and working with CSOs?*

      b.   Through financing mechanisms:
Do providers offer a mix of funding mechanisms that balance support to CSO-defined objectives (CSO "right of initiative"*) with complementary objectives defined by development co-operation recipient and provider country governments?
Is CSO funding reliable, transparent, easy to access, and disbursed impartially?
      c.   In their administrative requirements:
Are transaction costs for CSOs minimised?
Are administration and reporting requirements strategic, standardised, and, where possible, harmonised across providers?

If <u>NO</u>: are you aware of any initiatives from providers to further engage in the promotion of CSO Enabling environment?

Q^{g+}11. Is the promotion of a CSO enabling environment an agenda item in providers' policy dialogue with partner governments? **(Yes/No)**

If <u>YES</u>: please describe how.

Guiding questions:
    a. *Does this dialogue include discussion on appropriate legal frameworks for a free, open and capable civil society?*
    b. *Does this dialogue include encouragement of CSO engagement in policy processes?*
If <u>NO</u>: are you aware of any initiatives from providers to further position the promotion of CSO enabling environment in their policy dialogue?

Q^{g+}12: Do providers share information on their CSO support with the government? (Yes/No)

If <u>YES</u>: please describe how.

If <u>NO</u>: are you aware of any initiative to improve information sharing?

MODULE 4. Legal and regulatory environment

Q^{g+}13. Is there a recognition of and respect for CSO freedom (association, assembly and expression), in the Constitution and more broadly in policy, law and regulation? (Yes/No)

If <u>YES</u>: please describe how.

If <u>NO</u>: are you aware of any initiatives to increase such recognition and respect?

Q^{g+}14. Is the legal and regulatory environment enabling for CSO formation, registration and operation? (Yes/No)

If <u>YES</u>: please describe how.

If <u>NO</u>: are you aware of any initiatives to make the legal and regulatory environment more enabling for CSOs?

Guiding questions:
   a. *Can CSOs operate without being required to form a legal entity?*
   b. *Is there an enabling law on CSO registration, and in practice are CSOs able to easily register?*
   c. *Are the grounds for denial of registration and for de-registration clear, with recourse mechanisms, including judicial if needed, in place?*
   d. *Are CSOs by law and in practice able to pursue a broad-range of self-defined objectives, including human rights and good governance?*
   e. *Are CSOs enabled by law and practice to regulate their internal governance and affairs?*
   f. *Are CSOs protected from unwarranted interference* with their privacy and activities?*
   g. *Do policies and practices relating to CSOs at the country level proactively promote the improvement of enabling conditions and maximising CSO roles in development?*
   h. *Are there any legal, regulatory, policy or political barriers that limit the possibility of marginalised* individuals to participate in, join, and operate CSOs?*

Q^{g+}15. Does the legal and regulatory environment facilitate access to resources for CSOs? (Yes/No)

If <u>YES</u>: please describe how.

Guiding questions:
   a. *Are there legal, regulatory, policy, or practical barriers for CSOs to seek, secure, and use resources (financial, material, and human), including foreign resources?*
   b. *Are there legal or policy permissions and incentives* to promote local resource mobilisation and financial sustainability among CSOs?*
   c. *Where developing country governments fund CSOs, is this funding reliable, transparent, easy to understand, and disbursed impartially?*

If <u>NO</u>: are you aware of any initiatives to improve access to resources for CSOs?

Q^{g+}16. Does the legal and regulatory environment marginalise certain groups*? (Yes/No)

If <u>YES</u>: please describe how.

If <u>NO</u>: are you aware of any initiatives to improve the legal and regulatory environment for such marginalised groups?

Guiding questions
   a. *Are there CSOs representing particular groups that receive less favourable treatment due to their specific mandate or activities under the legal and regulatory environment, and in practice?*
   b. *Are these organisations able to carry out their mandates (such as social dialogue with trade unions)?*

MEASUREMENT OF INDICATOR

The questionnaire responses offer detailed qualitative information at the country level regarding the environment in which civil society organisations operate as well as the extent to which CSOs are engaged in development process and enabled to contribute in an effective way.

Given the context-assessment approach of this indicator, measurement at the global level will identify cross-cutting and specific challenges in enabling CSO engagement in development, and in identifying common patterns in those country cases that experienced positive transformations of CSO engagement –as to promote peer learning and greater focus on the factors that emerge from the analysis[7] as most relevant conditions for making country-level progress in strengthening CSO engagement.

This monitoring round will provide the baseline scenario at the country level. Further monitoring rounds will allow tracing trends in terms of progress in strengthening the enabling environment for CSOs, and in refining and further simplifying the questionnaire into the key factors driving change across countries.

DEFINITIONS RELATED TO INDICATOR 2

Civil Society Organisations	CSOs can be defined to include all non-market and non-state organisations outside of the family in which people organise themselves to pursue shared interests in the public domain. They cover a range of organisations that includes membership-based CSOs, cause-based CSOs and service-delivery CSOs (OECD-DAC/Better Aid, 2009)
CSO development effectiveness *also* Istanbul Principles *also* International Framework on CSO Development Effectiveness	CSO development effectiveness principles (also known as the Istanbul Principles for CSO Development Effectiveness) were agreed upon at the Open Forum's Global Assembly in Istanbul, September 28 -30, 2010. These Principles are the foundation of the Civil Society Partnership for Effective Development (CPDE)'s *International Framework on CSO Development Effectiveness,* which introduces and operationalizes the *Istanbul Principles.* These Principles are meant to guide the work and practices of civil society organisations in both peaceful and conflict situations, in different areas of work from grassroots to policy advocacy, and in a continuum from humanitarian emergencies to long-term development. According to these principles, CSOs are effective as development actors when they: (1) Respect and promote human rights and social justice, (2) Embody gender equality and equity while promoting women and girl's rights, (3) Focus on people's empowerment, democratic ownership and participation, (4) Promote Environmental Sustainability, (5) Practice transparency and accountability, (6) Pursue equitable partnerships and solidarity, (7) Create and share knowledge and commit to mutual learning, and (8) Commit to realising positive sustainable change.
CSO enabling environment	The political, financial, legal and policy context that affects how CSOs carry out their work. (OECD, 2011)
CSO operations	The capacities to govern, implement and assess activities on the part of the CSO, consistent with its mandate. (CPDE, 2013)

---

[7] The JST will use both Qualitative Comparative Analysis (QCA) methods and Principal Component Analisys (PCA) to: (a) identify the key elements in fostering an enabling-environment for effective CSO contributions to development, and (b) estimating the relative weighting and statistical significance of each factor.

Enabling law on CSO registration	Includes voluntary registration allowed for any legal, not-for-profit purpose; requiring a small number of founders and/or small amount of assets; based on reasonable, transparent, objective criteria; and providing avenues for judicial or other forms of appeal.
Enabling processes/regulations	Includes easy access for all irrespective of location, simple procedure without undue administrative burdens; nominal or affordable fees; timely decision; registration in perpetuity. (CPDE,2013)
Global Partnership Initiative 12 (GPI-12)	(Formerly "Voluntary Initiative 12") Global Partnership Initiative 12 is one of 39 voluntary initiatives affiliated with global efforts to advance aid and development co-operation effectiveness under the auspices of the Global Partnership for Effective Development Co-operation (GPEDC). GPI-12 addresses the CSO enabling environment framework and guidelines.
Institutionalised processes or mechanisms	Processes or mechanisms are considered institutionalised when they are regular, predictable, transparent, and announced in time to allow participants' preparation.
Institutionalised processes or mechanisms	Processes or mechanisms are considered institutionalised when they are regular, predictable, transparent, and announced in time to allow participants' preparation.
International Framework on CSO Development Effectiveness	See *CSO development effectiveness*
Istanbul Principles	See *CSO development effectiveness*
Marginalised groups	Although the nature of socio-economic or political marginalization is very country-specific, examples of groups representing groups of marginalised people frequently experiencing different forms of marginalization or exclusion might include trade unions, women's rights organisations, human rights organisations, organisations of indigenous people, environmental or land rights organisations, LGBT organisations, organisations of persons with disabilities, etc. (CPDE, 2013)
Multi-stakeholder dialogue	A policy process or development initiative that brings together two or more stakeholder groups (government, providers of development co-operation, CSOs, private sector, etc.) on the basis of equality among the stakeholders.
Permissions and incentives to promote local resource mobilisation and financial sustainability among CSOs	Legal or policy framework and incentives related to CSOs' income generation for organisational purposes (i.e. restrictions on non-profits), tax exemptions, customs clearance for foreign in-kind goods, incentives for business and individuals to donate, etc.

Right for CSOs to access relevant government information in law and in practice	Right whereby CSOs access information held by public bodies (including other entities that carry out public functions). "Such information includes records held by a public body, regardless of the form in which the information is stored, its source and the date of production." (Art. 19, ¶ 2 of the [International Covenant on Civil and Political Rights](), ICCPR) As recognised by the UN Human Rights Committee, "To give effect to the right of access to information States parties should proactively put in the public domain Government information of public interest […] (and) make every effort to ensure easy, prompt, effective and practical access to such information. States parties should also enact the necessary procedures, whereby one may gain access to information, such as by means of freedom of information legislation. The procedures should provide for the timely processing of requests for information according to clear rules that are compatible with the Covenant. Fees for requests for information should not be such as to constitute an unreasonable impediment to access to information. Authorities should provide reasons for any refusal to provide access to information. Arrangements should be put in place for appeals from refusals to provide access to information as well as in cases of failures to respond to requests." (ICPPR, 2011: UN Human Rights Committee, [General Comment 34]()) Governments should classify only those data which are proven to harm national security and other vital interests of the State. Moreover, there should be clear classification criteria and register of classified information, which is both established by law and accessible to everyone. Further, classified data should be subject to regular review and declassified if confidentiality is no longer necessary. ([A/HRC/20/17]())
Right of initiative	The term refers to the notion of CSOs as development actors in their own right, whose scope and roles in development are distinct from that of governments and aid providers, and are supported based on their own objectives and activities, and not those defined through their relationship with an aid provider.
Unwarranted interference	Interference is unwarranted if it does not meet the standard of Article 22 of the ICCPR: a restriction that is (1) prescribed by law, meaning having a formal basis in the law and precise enough to be able to predict whether a CSO's conduct violates the restriction; and (2) "necessary in a democratic society" in pursuit of limited, enumerated aims ("national security or public safety, public order, the protection of public health or morals or the protection of the rights and freedoms of others"). "Necessary" means the restriction is proportionate and the least intrusive means available to accomplish the legitimate objective of the restriction. ([ICNL,2012]())

Sources:

[Partnering with Civil Society, 12 Lessons from DAC Peer Reviews](), OECD, 2011

[An Enabling Environment for Civil society Organizations: A synthesis of evidence of progress since Busan](), CSO Partnership for Effective Development Cooperation (CPDE), 2013

[Defending Civil Society Report, Second Edition](), International Centre for Not-for-Profit Law & World Movement for Democracy Secretariat, June 2012

<table>
<tr><td colspan="2" style="text-align:center">**INDICATOR 3. Engagement and contribution of the private sector to development**

INDICATOR SUMMARY SHEET</td></tr>
<tr><td colspan="2">This indicator focuses on the quality of public-private dialogue (PPD) at the country level. In doing so, it recognises the importance of inclusive dialogue with the private sector for building a policy environment conducive to growth and sustainable development.

The indicator builds on tools developed by the World Bank, although the process was adjusted in order to rely on a country-led, multi-stakeholder data gathering process that could ensure transparency and country ownership. It relies on a mix of globally-sourced and country-sourced data, in order to produce a snapshot of the situation in the country.</td></tr>
<tr><td colspan="2">**Relevant Busan commitment**</td></tr>
<tr><td colspan="2">The indicator reflects the commitment 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 (Busan §32b)</td></tr>
<tr><td>**Indicator construction**</td><td>**Measure**</td></tr>
<tr><td>The indicator construction relies on a combination of globally-sourced quantitative scores and country-sourced qualitative assessments on the country context for inclusive public-private dialogue processes.

It is structured around the three following modules:

• *Module 1* assesses the country's enabling environment and relies on globally-sourced indicators, which will be provided by the JST to national co-ordinators to inform multi-stakeholder dialogue in relation to Module 2.
• *Module 2* assesses the country's readiness for public-private dialogue processes, and relies on a qualitative ;
• *Module 3* is designed as an optional component, and provides an in-depth assessment (case study) of the quality and organisational effectiveness of a given public-private platform in the country.</td><td>Building up on the information drawn from *module 1* and the country-sourced responses for *module 2*, indicator 3 will provide country-level assessments on the current legal/regulatory context and country readiness to organise and sustain public-private dialogues (PPDs).

Module 3 (optional) will help deepen the analysis through the case studies of specific PPD platforms, which in turn will facilitate peer-learning regarding different PPD approaches, and disseminate best practices and lessons learnt.</td></tr>
<tr><td>**Data source**</td><td>**Aggregation**</td></tr>
<tr><td>The indicator relies on a combination of globally-sourced and country-level data sources:

Module 1 – International indices, including the "Public engagement" index from the Open Budget Survey, as well as the "Voice and Accountability", "Rule of Law" and "Control of corruption" indices from the Worldwide Governance Indicators.

Module 2 – Country-level data.

Module 3 (Optional) - Country-level data.</td><td>The unit of observation is the individual country.

Given the context assessment approach for this indicator, and on the basis of the quantitative and qualitative data drawn from Modules 1 and 2 for Indicator 3, narrative reporting at the global level will identify cross-cutting and specific challenges in facilitating public-private dialogue at the country level, as a proxy to private sector engagement in development. The analysis will identify common patterns in country cases that experienced increasingly favourable conditions for public-private dialogue, and will spotlight specific PPD platforms.</td></tr>
<tr><td>**Baseline**</td><td>**Proposed target**</td></tr>
<tr><td>This monitoring round will provide the baseline scenario at the country level.

Further monitoring rounds will allow tracing trends in terms of progress in strengthening public-private dialogue at the country level, and in refining and further simplifying the questionnaire into the key factors driving change across countries.</td><td>Continued progress over time.

Rationale: the purpose of the indicator is to provide means to support broader political discussion on enhanced public private cooperation and further mobilisation of the private sector within the Global Partnership.</td></tr>
</table>

What does the indicator measure?

This indicator focuses on the quality of public-private dialogue (PPD) at the country level. In doing so, it recognises the importance of inclusive dialogue with the private sector for building a policy environment conducive to growth and sustainable development. The indicator builds on tools developed by the World Bank, and is structured around the three following modules: Module 1. The legal and regulatory context for PPD; Module 2. The country's readiness to host, create or sustain a dialogue process; Module 3. The 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).

Dialogue among interested stakeholders, including discussions within the Building Block on Public-Private Co-operation have confirmed that the monitoring and evaluation framework provided in the Public-Private Dialogue Handbook (B. Herzberg and Wright A., 2006, available online at: www.publicprivatedialogue.org) provides a useful basis for further work on the indicator.

The methodology was adjusted for this indicator, in order to rely on a country-led, multi-stakeholder data gathering process that could ensure transparency and country ownership.

Proposed monitoring process

Modules 1 and 2 aim at capturing a snapshot of the enabling environment for PPD at the country level:

Module 1: the JST will draw on country scores from a series of international indices, including the "Public engagement" index from the Open Budget Survey, as well as the "Voice and Accountability", "Rule of Law" and "Control of corruption" indices from the Worldwide Governance Indicators. This information will be facilitated to the national co-ordinator as a source of evidence to inform discussions related to Module 2.

Module 2: The national co-ordinator, in liaison with colleagues from relevant government institutions/ministries[8], co-ordinates the overall data collection and validation process. Where possible, the national co-ordinator is encouraged to use existing in-country platforms to support the process, and to coordinate with the Partnership for Prosperity. In order to facilitate the process and to ensure an inclusive approach, the national co-ordinator is invited to liaise with a focal point from the private sector, from providers of development co-operation, from trade unions and from civil society organisations to complete the questionnaire. The national co-ordinator is encouraged to (1) convene a multi-stakeholder dialogue to kick-off the process, (2) seek stakeholder feedback on the questionnaire (focal points are invited to carry out consultations with their respective constituencies, and to provide consolidated feedback to the national co-ordinator) and (3) re-convene a multi-stakeholder dialogue at the end of the process to jointly discuss and validate the findings, before sending them to the JST. To the extent possible, the national co-ordinator will seek consensus in the responses. Where agreement between stakeholder groups is not reached, focal points are invited to flag any diverging view to the national co-ordinator. The level of agreement of each stakeholder group regarding the responses compiled by the national co-ordinator will be registered in a table attached to the questionnaire (1. Question #; (2) Agree / Partially Agree / Disagree; (3) Comment).

On an optional basis, the government can decide to assess **module 3**, which looks into the organisational effectiveness of a given PPD platform, by using a shortened version of the World Bank's existing PPD evaluation wheel (more information on Module 3 is available here). Findings emerging from this assessment will primarily serve learning purposes: the JST will draw on them to showcase, in its 2016 global Progress Report, concrete examples and best practices of effective PPD platforms. Given the more in-depth assessment required for this module, it is recommended that interested governments contract a consultant to carry out the assessment. The intervention of such a third-party entity could help avoid overburdening the national co-ordinator and ensure that the process enables a neutral and balanced assessment which effectively captures all stakeholders' views. In such cases, the national co-ordinator is invited to inform the JST who will, to the extent possible, facilitate the process through technical support (e.g. making the available standard terms of reference, providing a list of possible consultants, providing technical guidance to steer consultant's work, etc).

---

[8] The national co-ordinator can decide to engage colleagues from relevant central or line ministries working on relations with the private sector, and will be expected to liaise with the parliamentary focal point designated at country level for the whole monitoring process.

■ **GOVERNMENT** (in consultation with representatives from the private sector, providers of development co-operation, trade unions, civil society organisations) [Q^{g+}]

Note: A definition for terminology marked with the symbol "*" is provided in the definitions table located after the questionnaire.

Q^{g+}1. Is the private sector ready and willing to engage and interact with the government?

Answer:
  ➢ Score: from 0 (weak) to 10 (strong)
  ➢ Qualitative narrative – 500 words (max)

Guiding questions:
  a. *Is the private sector organised in way that is sophisticated and considered legitimate by private sector stakeholders? (organisation)*
  b. *Does the private sector have the capacity to coordinate and align different groups? (coordination)*
  c. *What is the private sector's level of power and leverage with respect to public stakeholders? (leadership)*
  d. *Is the private sector willing to invest time and money in conjunction with public partners? (motivation)*
  e. *Is there private sector compliance to engage in more attractive business model?*
  f. *Do business leaders understand the private sector's needs and strategic challenges, not only conducting a political role or a rent seeking activity? (quality of business leaders)*
  g. *Does the private sector demonstrate motivation and leadership to conduct public-private projects*?*

Q^{g+}2. Is the government ready and willing to engage and interact with the private sector?

Answer:
  ➢ Score: from 0 (weak) to 10 (strong)
  ➢ Qualitative narrative – 500 words (max)

Guiding questions:
  a. *Does the government demonstrate generalised trust and understanding of the private sector?*
  b. *Does the government demonstrate political will to engage with the private sector?*
  c. *Does the government understand the private sector's needs and challenges?*
  d. *Is there dedicated public sector leadership assigned to the dialogue process with the private sector?*
  e. *Does the government have the capacity to effectively follow up public-private projects?*
  f. *Is the government willing to adapt institutions and public programs to the evolving needs of the private sector? (reforms)*
  g. *Does the government, in designing and implementing sector driven policies, look for private sector engagement and foster innovation? (Quality of sector driven policies)*
  h. *Is there co-ordination at different public levels regarding specific private sector needs?*

Q^{g+}3. Is there a potential champion who can facilitate the dialogue process, activate political will and reduce the trust gap between public and private sector stakeholders?

Answer:
  ➢ Score: from 0 (weak) to 10 (strong)
  ➢ Qualitative narrative – 500 words (max)

Guiding questions:
  a. *What is the champion's capacity and legitimacy to break conventional wisdom?*
  b. *Does the champion have an understanding of private sector challenges and strategies to overstep them?*
  c. *Are there any new leaders stepping in? (Emergence of new champions)*
  d. *Do different champions complement each other, and coordinate?*

Q^{g+}4. Are logistical, financing and capacity building instruments available to support PPD?

Answer:
- ➢ Score: from 0 (weak) to 10 (strong)
- ➢ Qualitative narrative – 500 words (max)

Guiding questions:
- a. *Are there quality programs and mechanisms to help private sector development?*
- b. *Are there sector specific instruments responding to private sector strategic needs?*
- c. *Do stakeholders have the capacity to support innovative projects used later on as success cases?*
- d. *Is the access to such instruments characterised by a low, medium or high level of bureaucracy?*
- e. *Are available instruments to support different aspects of the same project or private sector strategy complementary?*

MEASUREMENT OF INDICATOR

Similarly to the measurement of indicator 2, Indicator 3 will provide a comparative assessment on the country context and readiness to organise and sustain public-private dialogues (PPDs), building up on the information drawn from module 1 and the country-sourced responses for module 2. Module 3 (optional) will help deepen the analysis through the case studies of specific PPD platforms, which in turn will facilitate peer-learning regarding different PPD approaches, and disseminate best practices and lessons learnt.

Given the context assessment approach for this indicator, and on the basis of the quantitative and qualitative data drawn from Modules 1 and 2 for Indicator 3, reporting at the global level will identify cross-cutting and specific challenges in facilitating public-private dialogue at the country level, as a proxy to private sector engagement in development. The analysis will identify common patterns in country cases that experienced increasingly favorable conditions for public-private dialogue, and will spotlight specific PPD platforms. Drawing from the analysis of the qualitative and quantitative information[9], this monitoring round will help identify what the key contributing factors that emerge as preconditions for increased public-private dialogue are.

This monitoring round will provide the baseline scenario at the country level. Further monitoring rounds will allow tracing trends in terms of progress in strengthening public-private dialogue at the country level, and in refining and further simplifying the questionnaire into the key factors driving change across countries.

---

[9] Again, as in Indicator 2, the JST will use both Qualitative Comparative Analysis (QCA) methods and Principal Component Analisys (PCA) to: (a) identify the key elements associated with stronger country-readiness for public-private dialogue, and (b) estimating the relative weighting and statistical significance of each of these factor.

Partnerships for Prosperity (P4P)	P4P is a multi-stakeholder platform hosted at the International Finance Corporation (IFC) that aims to leverage the role of the private sector to support poverty reduction and sustainable development. In the context of the current development landscape, the private sector, a powerful engine of economic growth, has become an increasingly indispensable development partner. For more information, see Partnerships for Prosperity.
Private sector	The private sector can be defined as "a basic organising principle of economic activity where private ownership is an important factor, where markets and competition drive production and where private initiative and risk taking set activities in motion" (OECD-DAC). The private sector includes a wide range of actors such as domestic and foreign companies, large companies and small and medium size enterprises, professional organisations, intermediary organisations. The assessment of indicator 3 should cover a representative sample of private sector actors, including various groups that play a different role in different sectors and industries of the country's market, from small –scale informal entrepreneurs to foreign multinational corporations. As a guiding criteria in defining the reference sample of "private sector" actors to have in mind when assessing the country context, identifying the largest sectors in the economy –both in terms of relative GDP contribution (e.g. often dominant business actors in export-oriented economic sectors) and employment generation (e.g. often SMEs and/or informal entrepreneurs)– should help focus the discussions around the survey questions.
Public-Private dialogue (PPD)	An engagement mechanism to ensure more inclusive and sustainable policy reforms through a structured and participatory reform process. It refers to the structured interaction between the public and private sector in promoting the right conditions for private sector development, improvements to the business climate, and poverty reduction. Initiatives to promote PPD consists in most cases in establishing a combination of technical working groups, a secretariat and a high-level oversight structure. PPDs are diverse, with a broad scope of activity. For example, they address cross-cutting investment climate issues as well as sector-specific issues; they can focus on rural or urban, national or sub-national levels. Examples of PPDs include: the Vietnam Business Forum, the Ethiopian Public Private Consultative Forum, the National Competitiveness Council in the Philippines and the National Competitiveness Commission in Colombia. For more information on PPD see www.publicprivatedialogue.org
Public-Private Partnerships *also* Public-Private Projects	There is no one widely accepted definition of public-private partnerships or projects (PPP). PPPs are typically medium- to long-term arrangements between the public and private sectors whereby some of the service obligations of the public sector are provided by the private sector, with clear agreement on shared objectives for delivery of public infrastructure and/ or public services. PPPs typically do not include service contracts or turnkey construction contracts, which are categorized as public procurement projects, or the privatization of utilities where there is a limited ongoing role for the public sector. For more information on PPPs, see World Bank's PPPIRC.
Intermediary organisations	Organisations that serve as intermediaries for the private sector to represent its concerns to the public sector. They may come in many forms (e.g. business membership organisations, chambers of commerce, etc.), and they may be more or less effective at representing their members abd providing services.

Multi-stakeholder dialogue	A policy process or development initiative that brings together two or more stakeholder groups (government, providers of development co-operation, CSOs, private sector, etc.) on the basis of equality among the stakeholders.
Civil Society Organisations	CSOs can be defined to include all non-market and non-state organisations outside of the family in which people organise themselves to pursue shared interests in the public domain. They cover a range of organisations that includes membership-based CSOs, cause-based CSOs and service-delivery CSOs (OECD-DAC/Better Aid, 2009)