Global Partnership
for Effective Development Co-operation

Making development co-operation more effective: How partner countries are promoting effective partnerships

PART I OF THE GLOBAL PARTNERSHIP 2019 PROGRESS REPORT

OECD

UNDP

Abstract

This work a joint publication of the Organisation for Economic Co-operation and Development (OECD) and the United Nations Development Programme (UNDP). It is part of a report that presents the results of the 2018 Monitoring Round of the Global Partnership for Effective Development Co-operation, and focuses on how development partners support partner country-led efforts. Data collected by 86 partner countries and territories, in collaboration with more than 100 development partners, serve as the basis of this work and its evidenceregarding implementation of the agreed principles of effective development co-operation:country ownership, focus on results, inclusive partnerships, and transparency and mutual accountability. By highlighting where progress has been made and where challenges remain, the work aims to inform how governments and their partners can strengthen collective action towards achievement of the 2030 Agenda for Sustainable Development.

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The United Nations Development Programme (UNDP) partners with people at all levels of society to help build nations that can withstand crisis, and drive and sustain the kind of growth that improves the quality of life for everyone. On the ground in nearly 170 countries and territories, we offer global perspective and local insight to help empower lives and build resilient nations.

Foreword

This is Part I of the Global Partnership for Effective Development Co-operation 2019 Progress Report. Parts I and II are being released sequentially in advance of the Senior-Level Meeting of the Global Partnership, which will take place on 13-14 July 2019, on the margins of the 2019 United Nations High-level Political Forum on Sustainable Development. Parts I and II present results that have emerged from analysis of data collated for the 2018 Global Partnership Monitoring Round. Global Partnership progress reports enable policy makers to understand trends related to mainstreaming effective development co-operation principles into development co-operation practices at country level, and gain an outlook on key issues for the effectiveness agenda that require action over the coming years.

Parts I and II provide analysis and findings with respect to delivering against internationally agreed effectiveness commitments. The full report will be published in late 2019, and will include a concluding Part III informed by the discussions at the Senior-Level Meeting. Part III will reflect views of Global Partnership stakeholders on the evidence presented in Parts I and II as well as key messages to further shape the future of the monitoring exercise and effectiveness efforts.

The Global Partnership has produced progress reports since 2014 to generate evidence on implementation of internationally agreed principles for effective development co-operation that demonstrates where progress has been made and where challenges remain. The reports draw on data collated by partner countries and are one of the few sources of aggregate global data and analysis on development co-operation effectiveness. The progress reports are published jointly by the Organisation for Economic Co-operation and Development and the United Nations Development Programme. Their aims are to ensure that effectiveness remains high on the international development agenda while also supporting better policy to drive better results where they count most — on the ground.

All data presented herein, unless otherwise stated, are primary information reported by the partner country governments that participated in the Global Partnership's biennial monitoring exercise. Other complementary sources of data used in the report are the latest available data at the time of writing, and are referenced accordingly.

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Abbreviations and acronyms

BUILD	Business Initiative Leading Development
CABRI	Collaborative Africa Budget Reform Initiative
CCS	Country Cooperation Strategy
CPA	Country programmable aid
CRF	Country-owned results framework
CRS	Creditor Reporting System
CSO	Civil society organisation
DAC	Development Assistance Committee (OECD)
DCF	Development Cooperation Forum (UN)
FSS	Forward Spending Survey
GNI	Gross national income
HLPF	High-level Political Forum on Sustainable Development
IATI	International Aid Transparency Initiative
LDC	Least developed country
MDAs	Ministries, departments and agencies
MDB	Multilateral development bank
MDG	Millennium Development Goal
NOD	Nairobi Outcome Document
NFN	NGO Federation of Nepal
NGO	Non-governmental organisation
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
PEFA	Public Expenditure and Financial Accountability
PFM	Public financial management

PPD	Public-private dialogue
SDG	Sustainable Development Goal
SIDS	Small island developing state
SME	Small and medium-sized enterprise
UMIC	Upper middle-income country
UN	United Nations
UNDP	United Nations Development Programme
UNSDCF	United Nations Sustainable Development Cooperation Framework
USD	US dollar
WHO	World Health Organization

Part I highlights: How partner countries are promoting effective partnerships

Partner country governments have made significant progress in strengthening national development planning, including through the integration of the 2030 Agenda. The proportion of partner countries with a high-quality national development strategy has almost doubled, from 36% to 64%, since the Paris Declaration monitoring in 2011 (OECD, 2012[1]). Nearly all strategies (91%) approved from 2015 onwards reference the 2030 Agenda and/or the SDGs. However, continued effort is needed to embed SDG targets and indicators to ensure national development planning charts a clear and measurable path to SDG implementation.

To reap the full benefits of strengthened development planning, strategies must be linked with implementation resources and matched with robust monitoring and evaluation. Only half of partner country governments (53%) use information on resourcing their national development strategy to inform their national budget. Merely one-third (35%) report having the necessary data to track implementation of national strategies, and only 19% conduct gender audits of the budget. This signals the need to step up efforts in support of strengthening national systems and capacity to ensure that better development planning translates into effective implementation and monitoring, enabling the necessary feedback loop to further strengthen partner countries' development policies and practices.

The enabling environment for civil society organisations (CSOs) is deteriorating. Quality of government consultation with CSOs has declined and the legal and regulatory frameworks to facilitate CSO operations have weakened. CSOs in only 5% of partner countries report that their input is consistently reflected in national development policies, and CSOs in 27% of partner countries report that CSO expression is either extensively or fully controlled by government. CSOs play a fundamental role in development, and partner country governments must redouble efforts to foster an enabling environment for CSOs in order to deliver on the 2030 Agenda and its call for a whole-of-society development effort.

Partner country governments view the quality of public-private dialogue (PPD) more favourably than private sector stakeholders. The most significant divergence between views is on the inclusiveness of PPD. This signifies challenges in how governments are implementing and convening public-private dialogue. Maximising private sector contributions to inclusive growth and sustainable development requires a conducive operating environment to which quality PPD is critical. Partner country governments more actively seek to engage the full range of private sector actors, from agenda setting through planning joint action.

Mutual accountability is evolving together with rapidly changing development co-operation modalities and co-ordination structures. Traditional mutual accountability structures are more prevalent, and have strengthened, in partner countries for which official development assistance remains important. More than half (52%) of the 42 least developed countries that reported on mutual accountability have quality mutual accountability mechanisms in place. On the other hand, countries that are less dependent on ODA are looking towards more holistic frameworks that respond

to increasingly diverse sources and modalities of development finance. Furthermore, the share of development co-operation included in national budgets subject to parliamentary oversight is decreasing (from 66% in 2016 to 61% in 2018). Amidst this flux in development co-operation, to ensure that over a decade's experience and lessons on effective partnering are able to benefit new co-ordination approaches and structures taking shape, it is essential to embed the effectiveness principles, including mutual accountability, in these new frameworks, and ensure that these changes do not result in a loss of transparency and accountability. The rapid evolution happening at country level also has implications for Global Partnership monitoring and will merit consideration ahead of the next monitoring round.

1. Introduction

Effective partnerships are a cornerstone of the 2030 Agenda for Sustainable Development

Global development challenges, and threats to hard-won development gains, have not eased since the adoption of the 2030 Agenda for Sustainable Development. Indeed, they are ever more pressing, complex and inter-related (Biermann, Kanie and Kim, 2017[2]). The 2030 Agenda and its 17 Sustainable Development Goals (SDGs) provide a roadmap to tackle these challenges through a whole-of-society approach, one that builds on the collective actions of all stakeholders to deliver long-lasting solutions for people and the planet while leaving no one behind. Partnerships are pivotal to attaining all the SDGs. This is clearly set out in Goal 17, which calls for strengthening the means of implementation and revitalising the Global Partnership for Sustainable Development (UN, 2015[3]).

International efforts to strengthen the effectiveness of development co-operation[1] build on over a decade of lessons with the aim of ensuring that all available resources are mobilised and used in a way that maximises their potential. Following consecutive processes in Rome (2003), Paris (2005) and Accra (2008), the Busan Partnership for Effective Development Co-operation was endorsed in 2011 by 161 governments as well as heads of multilateral and bilateral institutions, representatives of civil society, the private sector, parliamentarians, and other stakeholders committed to strengthening the effectiveness of their joint efforts for development (OECD, 2011[4]). The Busan Partnership defined four internationally agreed principles for effective development co-operation (Figure 1.1), and marked a fundamental shift, moving beyond a focus on traditional aid to a recognition of the increasingly important roles of diverse development actors (GPEDC, 2016[5]).

The Global Partnership spurs action for more effective partnerships in order to achieve long-lasting development results

The Global Partnership for Effective Development Co-operation (hereafter Global Partnership) is a unique multi-stakeholder platform to advance the effectiveness of development efforts by all actors in delivering results that are long-lasting and contribute to the achievement of the SDGs, including the commitment to leave no one behind. The Global Partnership provides practical guidance and shares knowledge to improve

[1]. According to Alonso and Glennie (2015[50]), development co-operation can be described as an activity that meets the following four criteria: 1) explicit support to national or international development priorities; 2) not driven by profit; 3) discriminates in favour of developing countries; and 4) is based on co-operative relationships that seek to enhance partner country ownership. Due to this shift, and to ongoing changes that have broadened the development landscape in terms of actors and available resources, development co-operation encompasses a broad area of international action that features several financial and non-financial modalities (Mawdsley, Savage and Kim, 2014[46]). Development co-operation modalities can include financial transfers, capacity building, technology development and transfer on voluntary and mutually-agreed terms, policy change (for example, to ensure coherence of domestic policies and help to address global systemic issues), and multi-stakeholder partnerships (Zimmerman and Smith, 2011[48]).

development impact, and it supports country-level implementation of the internationally agreed effectiveness principles (Figure 1.1).

The Global Partnership was established by the Busan Partnership agreement and conducts global monitoring to track progress against the commitments and actions agreed in Busan. The Global Partnership's flagship instrument is its biennial monitoring exercise, which since 2013 has tracked progress towards the effectiveness principles, and is the recognised source of data and evidence on upholding effectiveness commitments.[2] Data generated from Global Partnership monitoring provide evidence for SDG follow-up and review. The Global Partnership is the sole contributor for data on three SDG targets: 1) respect each country's policy space and leadership (SDG 17.15); 2) multi-stakeholder partnerships for development (SDG 17.16); and 3) adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and women's empowerment (SDG 5.c).[3]

The Global Partnership monitoring exercise has two fundamental objectives. The first is to assess how effectively governments have established a conducive environment to lead national development efforts, enable the full participation of the whole of society and maximise the impact of joint efforts. The second is to assess how development partners deliver their support in a way that is focused on country-owned development priorities and that draws on existing country systems and capacities to reduce burden and ensure sustainability of results. The 2019 Progress Report addresses these two objectives in turn. Part I of the Progress Report looks at the first of the two objectives, focusing on country ownership and examining how partner countries are putting in place the building blocks for an effective, whole-of-society development effort. Part II focuses on how effectively development partners support such country-led efforts.

[2]. Annex A presents a full list of the Global Partnership indicators and where to find them in the 2019 Progress Report.

[3]. Global Partnership data also inform the annual UN High-level Political Forum on Sustainable Development (HLPF); the UN Economic and Social Council Forum on Financing for Development; and the SDG reviews of partner countries, including voluntary national reviews that are presented at the HLPF.

Figure 1.1. Principles for effective development co-operation

Note: CSOs stand for civil society organisations. MDBs stand for multilateral development banks.
Source: GPEDC (2017[6]), Effective co-operation principles website, http://effectivecooperation.org/about/principles.

The 2018 Global Partnership Monitoring Round: The methodology

The Global Partnership monitoring exercise differs from other global accountability frameworks in that its focus is on the quality of partnering that takes place to deliver development results and outcomes, rather than on the results themselves. Recognising the unique roles and responsibilities of each actor, the Global Partnership monitoring exercise is country-led and voluntary and aims to strengthen multi-stakeholder dialogue at country, regional and global level. The exercise drives change in the way development co-operation is provided by collecting country-generated data that highlight where progress is being made and where challenges persist, and thus brings together stakeholders around concrete findings to chart a new path forward.

The Global Partnership monitoring exercise is country-led. Partner country governments, on a voluntary basis, opt to conduct the monitoring exercise in their country.[4] Each participating partner country assigns a government focal point to lead the monitoring exercise in country. While it is led by the government, the exercise aims to strengthen multi-stakeholder dialogue. The *2018 Monitoring Guide for National Co-ordinators* (GPEDC, 2018[7]) recommends that the government focal points that are leading the exercise collaborate with representatives from bilateral and multilateral development agencies, civil

[4]. The Co-Chairs of the Global Partnership launched the monitoring exercise by issuing an invitation letter at Ministerial level to partner countries to participate in the 2018 Monitoring Round.

society, the private sector, parliamentarians, and other relevant actors in order to collect data for the exercise with the support and guidance of the Joint Support Team of the OECD and the UNDP.

Multi-stakeholder validation of country-generated data is an important part of the monitoring process, ensuring high-quality reporting and strengthening mutual understanding of progress and challenges in meeting effectiveness commitments. As a consequence, government focal points are encouraged to invite representatives from across stakeholder groups to come together during the validation phase. By embedding the process in national mechanisms and providing strong government capacity, leadership and adequate resources, more than half of the partner countries that participated (46 of 86) conducted the monitoring exercise as a comprehensive multi-stakeholder process at country level. Others (40 of 86), while eager to participate, carry out the exercise as a multi-stakeholder process to varying degrees, depending on country context and context-specific challenges.

The process of carrying out the monitoring exercise has several benefits. For partner country governments, the exercise builds national capacity to monitor effectiveness in country. It also serves as an entry point to mobilise and engage with a broad range of stakeholders on the quality of ongoing co-operation, strengthening relationships and building trust. For development partners, the exercise provides a platform to identify where progress is needed in order to work more effectively with partner countries and encourages the development of joint solutions to shared challenges. For domestic development actors, the monitoring exercise provides a unique multi-stakeholder process to engage in dialogue with government and international partners and to identify solutions for more effective development partnerships.

The Global Partnership reports on progress through ten indicators that capture the essence of the four principles for effective development co-operation. Some of these indicators have their roots in the Paris Declaration on Aid Effectiveness (OECD, 2005[8]); others were introduced in 2012 to capture the broader dimensions of the Busan Partnership agreement, as called for by developing countries. In 2017, a comprehensive review of the indicators was conducted in line with the renewed mandate of the Global Partnership to better reflect the opportunities of the 2030 Agenda.[5] Throughout this report, associated methodologies of the ten indicators are described in broad terms where necessary (often in a box) for clarification of the text. A comprehensive account of the methodology of Global Partnership monitoring is contained in the *2018 Monitoring Guide for National Co-ordinators* (GPEDC, 2018[7]), the *Technical Companion Document* (GPEDC, 2018[9]), the *2018 Monitoring Round: Mini Guide for Development Partners* (GPEDC, 2018[10]) and the *Indicative Terms of Reference for Development Partners* (GPEDC, 2018[11]).

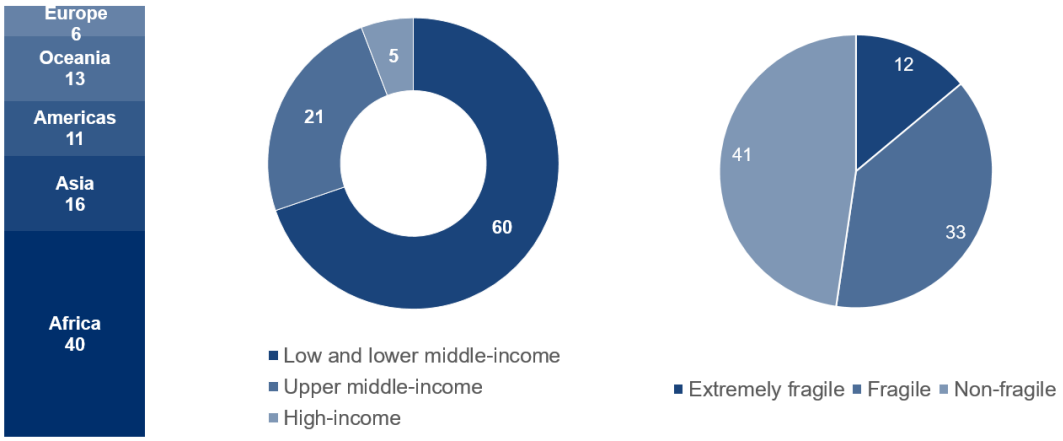
[5]. The review was guided by technical advice from a monitoring advisory group, lessons learnt from the 2016 Global Partnership Monitoring Round and online consultations. More information is available on the Global Partnership website at: http://effectivecooperation.org/monitoring-country-progress/global-partnership-monitoring-2-0/track-2-adapting-monitoring-to-new-challenges.

The 2018 Global Partnership Monitoring Round: Key facts

The data gathered during the 2018 Global Partnership Monitoring Round constitute the evidence base for the Progress Report.[6] This Monitoring Round, the third biennial monitoring round, was launched in June 2018.[7] Data collection and validation continued until March 2019. A record 86 partner countries and territories participated. Most of the participating countries are **low and middle-income countries**; more than half are **fragile contexts**; and 22 are **small island developing states**. Almost all **least developed countries** (43, or 91% of the total) participated in the Monitoring Round (Figure 1.2).

Figure 1.2. Partner countries that participated in the 2018 Monitoring Round

Number of countries by region, income and fragility classification



Note: All of the high-income countries that participated are small island developing states.
Sources: Income classification: World Bank (2018[12]), "Classifying countries by income", http://datatopics.worldbank.org/world-development-indicators/stories/the-classification-of-countries-by-income.html; fragility classification: OECD (2018[13]), *States of Fragility 2018*, https://doi.org/10.1787/9789264302075-en.

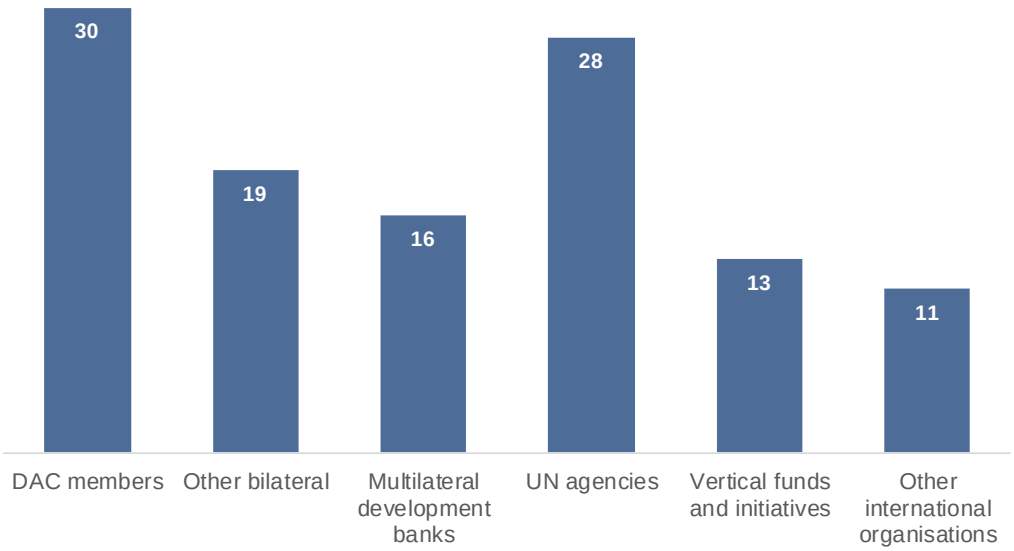
The 86 participating partner countries that led country-level data collection on the effectiveness of their development co-operation did so in collaboration with more than 100 **development partners (**Figure 1.3**)** and hundreds **of civil society organisations, private sector representatives, foundations, trade unions, parliamentarians and local governments**.

[6]. Annex A provides further detail on the indicators and coverage of the monitoring exercise.

[7]. The launch of the 2018 Monitoring Round was timed to align with partner country annual fiscal cycles many of which end in December, and allow for the completion of a comprehensive, multi-stakeholder review to strengthen the monitoring framework.

Figure 1.3. Types of development partners that participated in the 2018 Monitoring Round

Number of development partners by type of partner



Note: "DAC members" include 29 bilateral member states and the European Union. "Other bilateral" includes all bilateral partners that are not part of the Development Assistance Committee (DAC). "Other international organisations" are those that are not multilateral development banks, UN agencies or vertical funds/initiatives.

The 2019 Progress Report covers:

- More than 3 300 projects and programmes (USD 64.7 billion[8]). Individual projects and programmes reported are the basis for assessing the extent to which development partners use country-owned results frameworks, monitoring and statistics systems.
- USD 58.8 billion in development co-operation funding disbursed as grants and loans by development partners, including USD 37.8 billion disbursed directly to the public sector in the 86 participating countries.[9] Disbursements made to the public sector are the basis for assessing the predictability of development co-operation and the use of country systems. To avoid double counting in a situation in which one development partner disburses funds on behalf of another, reporting covers only the development partner that made the final disbursement at country level. This approach does not aim to quantify overall support provided by development partners, but rather to assess the quality of support provided.

[8]. This amount refers to the total budget for those projects and programmes that were newly approved during 2017, which may also span across several years. Therefore, disbursements could be phased during subsequent years.

[9]. The data covered by the 2018 Monitoring Round represent at least three-quarters of the equivalent of country programmable aid (CPA) for 59 countries (68%) and at least half of the equivalent of CPA for 70 countries (82%). The data cover less than 25% of the equivalent of CPA for only 5 (6%) of the countries. CPA is used as a reference point because it provides an approximation of the overall resources transferred by development partners to partner countries. CPA is a subset of the total gross bilateral ODA that is subjected to multi-year planning at country/regional level. More details on CPA can be found at: https://data.oecd.org/oda/country-programmable-aid-cpa.htm.

Box 1.1. How to read this report

All findings and conclusions presented in this report draw on data from the 2018 Global Partnership Monitoring Round unless otherwise stated or referenced. Where a comparison is drawn with 2016, this refers to data from the 2016 Global Partnership Monitoring Round. For comparisons with 2011, data from Paris Declaration monitoring (OECD, 2012[1]) are used.

For clarity on language used throughout the 2019 Progress Report and for ease of reference:

- "**Partner country or territory**" is used to refer to developing countries and territories that reported to the Global Partnership Monitoring Round in 2018.[1]
- "**Development partner**" is used to refer to official agencies, including state and local governments, or to their executive agencies that provide development co-operation. This includes DAC and non-DAC bilateral partners, as well as multilateral development partners including for example multilateral development banks and vertical funds.
- "**Development actors**" is used to refer to the full range of development stakeholders. This includes, for example, civil society and development partners as defined above as well as non-traditional development partners (e.g. the private sector and foundations).

All percentages that refer to partner countries are to be interpreted as proportions of the overall 2018 monitoring sample of 86 participating partner countries unless otherwise specified. Some percentages describe a subset of the 86 partner countries.

Note 1. Participation in this process and mention of any participant in this document are without prejudice to the status or international recognition of a given country or territory.

2. Partner country government leadership has advanced national development aspirations

Country ownership is critical to achieving long-lasting development results (Wood et al., 2011[14]). From the Paris Declaration on Aid Effectiveness (OECD, 2005[8]) through to the Nairobi Outcome Document (GPEDC, 2016[5]), there has been growing recognition that development efforts need to be led by the countries receiving development support. This type of broad-based country ownership requires inclusive and equitable participation from all parts of society. Governments have a unique responsibility to lead development efforts, however, and they play an enabling role – among both domestic stakeholders and international partners – to facilitate this whole-of-society approach.

Chapter 2 examines the ways in which partner country governments are delivering on this responsibility. It looks specifically at government efforts to put in place strong development planning and public financial management (PFM) systems. These systems lay the groundwork for inclusive, transparent and accountable development efforts and help to ensure these collective efforts have maximum impact.

The key findings of this chapter are:

- Partner country governments are making continued progress in strengthening the policy and institutional arrangements required to successfully lead development efforts, including integrating the 2030 Agenda into national development strategies. Since 2011, partner country governments have improved the overall quality of national development planning, putting in place strong development strategies with a clear results orientation. Governments also are strengthening PFM systems, particularly in the budget formulation stage.
- The most notable gains are seen at the level of planning, with challenges remaining in implementation. Considerable progress has been made overall, but results clearly show the greatest advances have been made in the early phases of national planning and PFM cycles. To more effectively operationalise development planning, targeted support is needed to continue to embed the SDGs into national development strategies; link development strategies with financial resources; build monitoring and evaluation capacity; and establish strong financial reporting and auditing systems.
- Further institutional strengthening of national systems and processes is needed to ensure that governments can continue to pursue sustainable development. The slow but steady progress made is consistent with the understanding that institutional strengthening takes time, requiring not only changes in the systems themselves, but also the building of capacity to use and manage systems. These further underscore the need for continued and enhanced support to build strong national systems capable of establishing and overseeing the policy and institutional arrangements that allow for more effective development co-operation and accelerated progress towards the SDGs.
- Parliamentary oversight of development co-operation resources must be maintained. While governments will continue to have a unique responsibility for development efforts, including the management of development co-operation resources, oversight by key stakeholders remains essential to ensuring that

resources are used efficiently and for maximum impact. Partner country governments are strengthening legislative oversight of their budgets, yet just more than half of development co-operation is included in national budgets that are subject to parliamentary oversight. As the sources of development co-operation and implementation modalities evolve, increased focus is needed to ensure that these changes do not result in a loss of transparency and accountability.

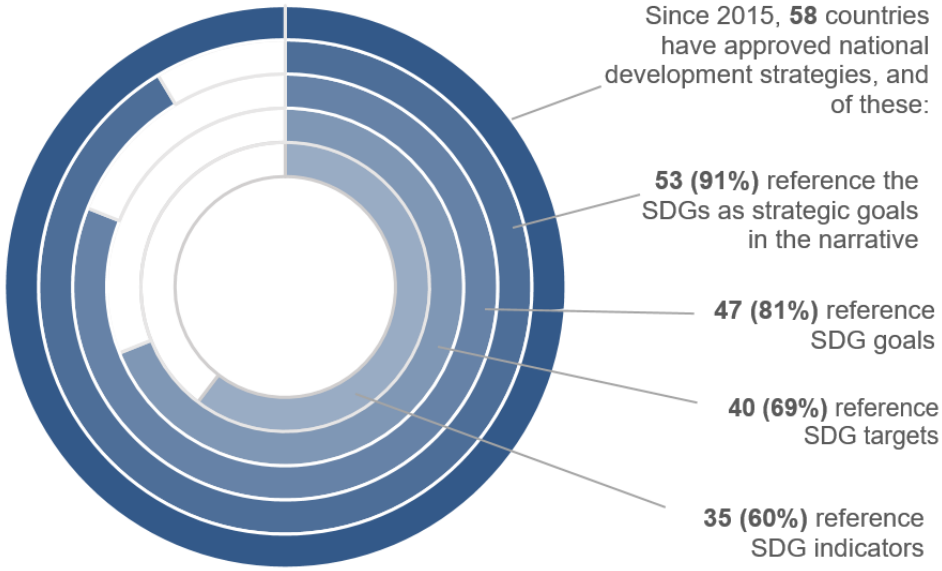
Partner country governments are broadly integrating the SDGs into their national development strategies

Embedding the SDGs into national development planning is critical to country-owned and led SDG implementation. At the heart of the 2030 Agenda is the recognition that each country has primary responsibility for its own economic and social development (UN, 2015[3]). Indeed, national ownership and leadership are critical to implementing the SDGs. By embedding SDG targets and indicators into national development strategies and policies, partner countries and their development partners can use the SDGs as a common framework, and thus facilitate stronger co-ordination in identifying challenges, developing solutions and tracking progress toward sustainable development at country level.

Partner country governments have moved quickly to integrate the SDGs into national development planning. Specifically, governments have demonstrated leadership in embedding the 2030 Agenda and mainstreaming the SDGs into national development strategies and their country-owned results frameworks that track implementation of the development strategy. Such government leadership to establish an inclusive, country-owned road map for SDG implementation is important to facilitate the whole-of-society approach needed for achieving the SDGs. The 2018 Global Partnership Monitoring Round data show that 91% (53 of 58) of national development strategies approved in or since 2015 reference the 2030 Agenda and/or the SDGs (Figure 2.1).

Figure 2.1. Referencing the 2030 Agenda and/or SDGs in national development strategies, across country contexts

Partner country governments that incorporated the 2030 Agenda and/or SDGs in their national development strategy

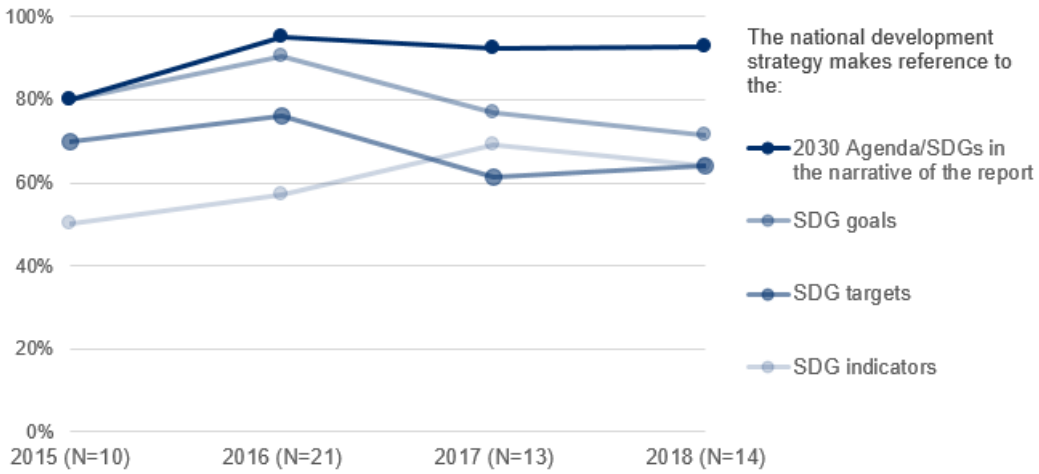


Source: Figure draws on assessment of the quality of national development strategies (Indicator 1b). Further information is available in GPEDC (2018, pp. 29-34[7]), *2018 Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

While most national development strategies embed the SDGs as overarching commitments, not all of these integrate SDG targets and indicators. National development strategies that reference the 2030 Agenda and/or the SDGs do so in the main narrative text, where the partner country government presents its strategic ambitions. However, these strategies reference SDG targets and indicators less frequently in the context of the country results framework (Figure 2.1). For instance, 69% of these strategies reference SDG targets and 60% reference SDG indicators. As discussed in Box 2.1, several interconnected hurdles prevent greater reliance on the SDGs for national planning (OECD, 2019[15]). Further, when the data are disaggregated by the year of approval of the strategy, they show a slight overall decline in the number of partner countries that refer to the SDGs in national development strategies adopted between 2015 and 2018 (Figure 2.2). A slight overall decline may be due to the passage of time since the initial momentum around the adoption of the SDGs in 2015, but it would be premature to regard this slight decline as a sign of lost momentum. Nevertheless, to achieve the 2030 Agenda, countries need to delineate now in their national development strategies their path to achieving the SDGs.

Figure 2.2. Reference to the 2030 Agenda/SDGs in national planning is slowing

Proportion of partner country governments that have incorporated the 2030 Agenda and SDGs in their national development strategy, by year of approval



Source: Figure draws on assessment of the quality of national development strategies (Indicator 1b). Further information is available in GPEDC (2018, pp. 29-34[71]), *2018 Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

Box 2.1. Using the Sustainable Development Goals as a shared framework for results

Despite making strides to embrace the 2030 Agenda and/or the Sustainable Development Goals (SDGs) in their national development strategies and results frameworks, partner country governments face constraints to further progress:

- **A still-developing global SDG framework.** It has taken the international community several years to elaborate SDG indicators (i.e. with good-quality methodologies and available data), which limited the availability of SDG targets and indicators for national planning. The proportion of ready-to-use indicators has now grown to 80% in 2019 from 60% in 2016.
- **Cost implications of adopting SDG indicators.** While targets and indicators capture sustainability and interlinkages across the SDGs more effectively than was the case for the Millennium Development Goals (MDGs), the previous investment in embedding MDG targets and the complexity of some SDG indicator methodologies have increased the cost of transition to the SDGs.
- **Degree of collaboration between partner country governments and development partners.** Adoption of SDG indicators has been more successful in countries where development partners have synchronised their SDG planning cycle with the partner country and where sector-wide and joined-up approaches were used for SDG

alignment and monitoring at country level. Greater collaboration has also been more effective in generating SDG disaggregated data on locally relevant dimensions to ensure that no one is left behind.

- **Difficulties incorporating the SDGs as part of results-based management approaches at country level.** Among these difficulties are development partners' current emphasis on measuring results for accountability and communications purposes, rather than for learning and decision-making; limited capacity of partner country governments; and adoption of bureaucratic and rigid processes to align national results frameworks to the SDGs.

These constraints lead many development partners to prioritise results that can be easily measured and reported back to headquarters, to the detriment of SDG monitoring for SDG targets and indicators that are prioritised by partner countries.

Sources: OECD (2019[15]), "Using the SDGs as a shared framework for results: Demonstrating good practice – Findings from three case studies", https://www.oecd.org/dac/results-development/docs/Results_worksho_April_19_Session1.pdf; Vähämäki, J. and C. Verger (2019[16]), "Learning from results-based management evaluations and reviews", https://doi.org/10.1787/3fda0081-en.

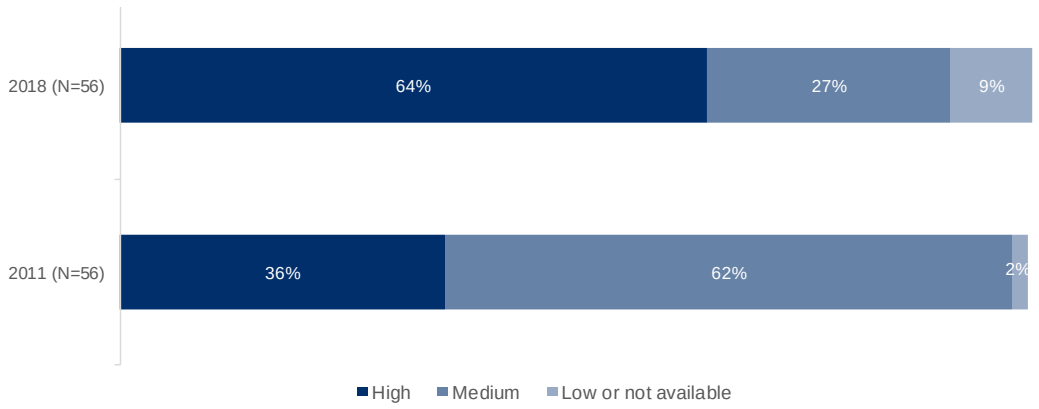
Partner countries are strengthening the quality, results orientation and national ownership of development strategies

Partner countries have made significant progress since 2011 in improving the overall quality of national development planning. Quality of national development strategies has shown significant improvement over time. The proportion of countries with a national development strategy assessed as high quality has almost doubled since the Paris Declaration monitoring in 2011 (OECD, 2012[1]), when it was 36%, to 64% in 2018. Over this eight-year period, 21 countries (out of the 56 that reported in both 2011 and 2018) went from having a national development strategy assessed as low quality or medium quality to one assessed as high quality. Box 2.2 discusses how development planning quality is assessed. Figure 2.3 illustrates the 2011-18 changes in quality. Progress could be attributed to the increasing emphasis on development results over the past two decades and was illustrated by the MDGs, which set out an international results framework around a specific set of eight development goals for the 21st century. This emphasis on results was reaffirmed in the Paris Declaration (OECD, 2005[8]), which defined the focus on results as a principle for effective development co-operation, and subsequently in the Busan Partnership agreement ((OECD, 2011[4])) and Nairobi Outcome Document ((GPEDC, 2016[5])).

Box 2.2. Assessing the quality of national development planning

Building on Paris Declaration monitoring (OECD, 2012[1]), the Global Partnership assesses the quality of development planning across several elements of a national development strategy. These elements include whether the strategy was developed in an inclusive manner and has a clear results focus, whether progress is regularly and transparently tracked, and whether the strategy is linked to implementation resources. The methodology for assessing quality includes 4 criteria and 11 sub-elements. For more detail, see the *Technical Companion Document* (GPEDC, 2018, pp. 3-4[9]). In order to compare quality of national development planning over time, data from the 2011 Paris Declaration monitoring have been used together with data from the 2018 Global Partnership Monitoring Round. In 2011, for each participating partner country, the national development strategy was scored on a five-point scale ranging from A (high quality) to E (low quality). In order to compare results over time, a corresponding five-point scale was devised for the Global Partnership 2018 monitoring exercise data as follows: A (above 90%); B (80-90%); C (70-80%); D (60-70%); E (below 60% or with no development strategy in place).

Figure 2.3. Quality of national development planning has improved since 2011



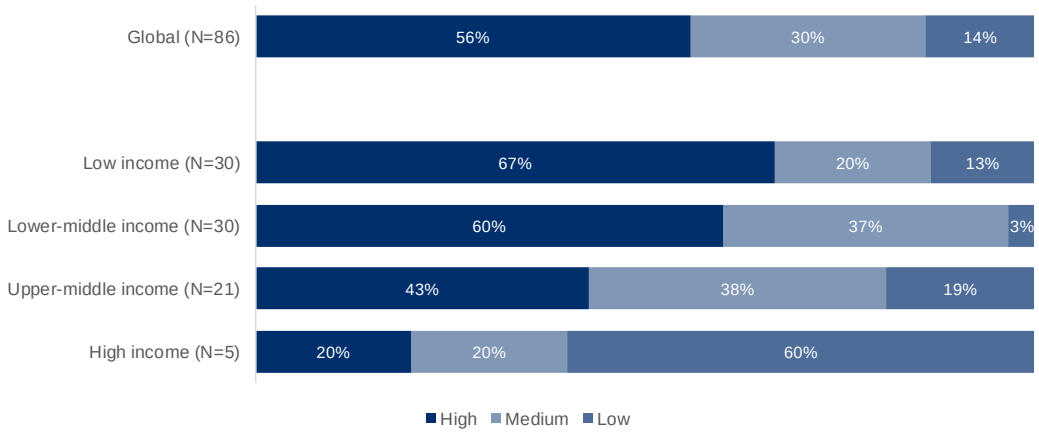
Note: "Not available" comprises partner countries that had a national development strategy in 2011 but did not have one in 2018, meaning that an assessment of quality could not be made. High quality refers to A and B scores, medium refers to C and D scores and low refers to E score (see Box 2.2).
Source: Figure draws on assessment of the quality of national development strategies (Indicator 1b) and on Paris Declaration Indicators 1 and 11. Further information is available in GPEDC (2018, pp. 29-34[7]), *2018 Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

Among different country contexts, low-income and lower middle-income countries have the highest quality development planning. The 2018 monitoring exercise found that 56% of the 86 participating partner countries have high-quality national development strategies. However, quality varies by national income group. As shown in Figure 2.4, low-income (67%) and lower middle-income countries (60%) perform best in this regard. The quality of national development strategies is also relatively high in extremely fragile

contexts.[10] Half (50%) of the extremely fragile contexts that participated in the 2018 Global Partnership Monitoring Round have high-quality national development strategies in place. Overall, an inverse pattern between quality of development planning and country income level is observed. One possible explanation is the greater reliance on development co-operation in fragile contexts and countries on the lower end of the national income scale.[11] These contexts and countries may invest in strong national development planning to mobilise support from their partners, help to align stakeholders around a common set of development priorities, reduce fragmentation and duplication of efforts, and keep actors accountable and focused on results. Box 2.3 describes the various national development policies and processes.

Figure 2.4. Pattern between quality of development planning and country income level

Quality of national development planning by income classification in 2018



Source: Figure draws on assessment of the quality of national development strategies (Indicator 1b). Further information is available in GPEDC (2018, pp. 29-34[7]), *2018 Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

[10]. The 2018 OECD fragility framework classifies 58 contexts as fragile across a spectrum of intensity and in economic, environmental, political, security and societal dimensions. Of the contexts in this framework, 45 are partner countries that participated in the 2018 Global Partnership Monitoring Round. The OECD further classifies 15 of the 58 fragile contexts as "extremely fragile"; 12 of these 15 are partner countries that participated in the 2018 Monitoring Round. The OECD (2018[13]) report *States of Fragility* presents the fragility framework.

[11]. The 2018 Monitoring Round results show that the quality of a country's development strategy is higher on average for countries and contexts with greater reliance on official development assistance, ranging from 65% for low-dependency countries to 74% for high-dependency countries.

Box 2.3. National development planning policies and processes

National development strategy. Also known as a national development plan in some partner countries, a national development strategy is an overarching, strategic and whole-of-government development planning tool that covers a specific time period, often four to eight years. A high-quality strategy sets out strategic priorities that have been developed through an inclusive consultative process and is linked to implementation resources (e.g. a medium-term expenditure framework linked to annual budgets). When designed through a participatory, whole-of-society approach, the strategy represents a country's shared aspirations for development and provides a road map for achieving these aspirations. A country-owned and country-led development strategy that sets out development priorities is foundational to development partner alignment and reduced fragmentation and duplication of development efforts.

Country-owned results framework (CRF). The CRF defines development results and monitoring and evaluation systems to track progress towards these results. At a minimum, a CRF includes agreed objectives and results indicators (i.e. output, outcome and/or impact). This framework also sets targets to measure progress in achieving the objectives defined in the government's planning documents. Further, a CRF provides a foundation for implementing national development strategies and priorities, and it reinforces accountability and the results focus of the overall development effort.

Sector strategy. This is a strategic planning tool, typically at ministry level, that covers a single thematic area (e.g. health or education) over a specific time period. Development results that are not covered in an integrated, whole-of-government CRF are often found in sector strategies. A sector strategy allows for greater detail on a given theme or sector, each of which can have a unique subset of stakeholders and co-ordination mechanisms. A sector strategy enables these stakeholders to rally around a common vision that is tied to the national development strategy.

Subnational strategy. This is a strategic planning tool produced by a subnational government (e.g. provincial or local level) that covers a specific time period and typically contains results indicators. A subnational strategy allows for greater focus on subnational and local priorities and issues. It also enables subnational regions to align with national strategies and to identify and track their contribution to the national development strategy.

Source: GPEDC (2018[7]), *2018 Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

Partner countries increasingly are establishing national development strategies to rally efforts around country-owned development priorities. This is a notable area of progress within the overall improvement in the quality of development planning.[12] Almost all partner countries (94%, that is 81 of 86 participating countries) report that they have a national development strategy in place. Five report not having a strategy in place, but four of these (Democratic Republic of the Congo, Montenegro, Saint Lucia and Seychelles) stated they are in the planning phase of creating a national development strategy. These results are an improvement from 2016, when

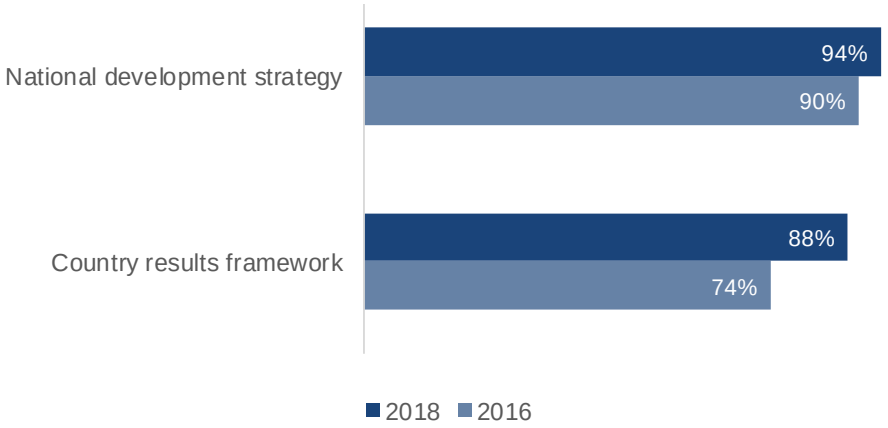
[12]. See Box 2.2 for details on how the quality of national development planning is assessed.

90% (73 of 81) of countries that participated in the Global Partnership monitoring exercise had a long-term vision or national development plan in place.[13]

National development strategies increasingly have a clear results orientation. Of the partner countries that have a national development strategy, an increasing number include as part of this strategy a country results framework that defines priorities, targets and indicators for tracking progress. Data from the 2018 Global Partnership Monitoring Round show that 88% of the participating countries that have a national development strategy (71 of 81) have a country results framework linked to the national development strategy. This is a clear increase over the 2016 Monitoring Round, which found 74% of participating countries with a strategy had a results framework in place (Figure 2.5). However, these results frameworks should more effectively integrate SDG targets and indicators to ensure that national development planning charts a clear, measurable path to SDG implementation.

Figure 2.5. Progress in establishing national development strategies and results frameworks since 2016

Proportion of partner country governments with a national development strategy and country results framework, by year



Source: Figure draws on assessment of the quality of national development strategies (Indicator 1b). Further information is available in GPEDC (2018, pp. 29-34[7]), *2018 Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

Partner country governments are achieving strong alignment between their national development strategies and their sector and/or subnational strategies. Alignment is critical to coherent national development planning, enabling sectors and subnational regions to effectively contribute to development efforts and work towards common objectives. Alignment of sector strategies is strong, with these aligning with the national development strategy in 81% of partner countries. Subnational strategies are also well aligned, with 2018 Monitoring Round data showing alignment with the national development strategy in 76% of partner countries. In some countries, such alignment is required by law.

[13]. The small percentage change masks real underlying improvement. Six of the eight countries that did not have a strategy in 2016 now have a strategy; one is in the planning phase of its national development strategy and one did not participate in the 2018 monitoring exercise. In the 2018 monitoring exercise, three of the five participating countries that do not have a national development strategy participated in the monitoring for the first time.

More partner country governments need to link development planning to resources and strengthen capacity to monitor implementation

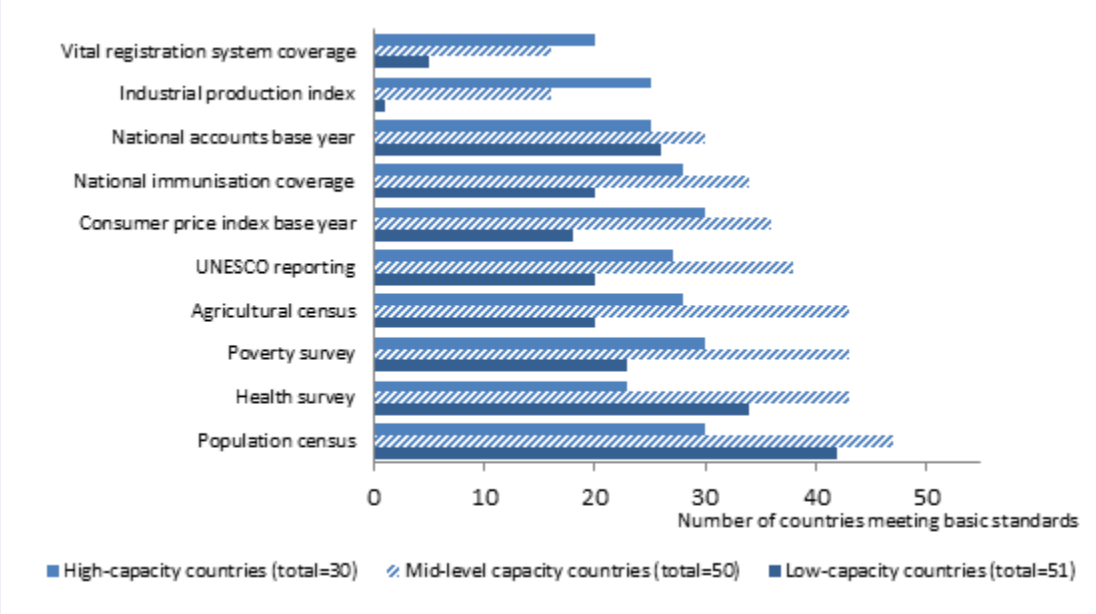
While great strides have been made in establishing national development strategies and results frameworks, stronger links to resources can assist in implementation. The Addis Ababa Action Agenda provides a global framework for financing sustainable development, including implementation of the 2030 Agenda (UN, 2015[17]). A key action area, and one that is underpinned by the principle of country ownership, is mobilisation and effective use of domestic public resources. Data from the 2018 Monitoring Round indicate promising efforts in this regard, with 73% of partner countries (59 of the 81 that have a national development strategy) reporting they link their national development strategy to indicative resources for implementation. However, only a smaller subset of these countries (46 of 59) use this information on indicative resources to inform their annual budget and the medium-term fiscal and/or expenditure framework. This finding is consistent with recent research showing that national development strategies are often poorly financed and lack a comprehensive financing strategy to leverage all available financial resources, for example to target private investment (UN, 2019[18]).

Partner country governments report regularly on implementation of their national development strategies, but most lack national statistical capacity to comprehensively monitor implementation. The majority of governments with a national development strategy (89%, or 72 of 81) report on progress. Of these, most (85%, or 61 of 72) report progress regularly, i.e. at least every two years. However, reporting on progress is often based on incomplete information; only 35% of partner country governments (25 of 72) stated that timely, regular and accurate government data are available for all or most indicators in their results framework. These findings echo those of the 2017 (OECD[19]) *Development Co-operation Report*, which focused on data and national statistical capacity, and more generally the work of PARIS21 (Box 2.4). An even smaller proportion of governments in fragile contexts (22%) report having such data, although the vast majority of fragile contexts have a national development strategy (99%) and a country results framework (89%) in place. This indicates a notable disconnect between planning and implementation of strategies in these contexts and signals that in fragile contexts, which often receive capacity support to establish national development strategies, equal attention should be paid to strengthening capacities for implementing the strategies, including statistical capacity to track implementation.

Box 2.4. Strengthening statistical capacities for better development outcomes

Robust, reliable data are vital for implementing development policy. Without data to identify where support is needed for planning, implementing and monitoring, progress towards development objectives cannot be tracked. Low-income countries have made headway in producing more and better data and statistics. Some improvements can be observed in data planning and production. In 2018, 129 countries were implementing a comprehensive national statistical plan compared to 102 that were doing so in 2017 (PARIS21, 2019[20]). Still, a fundamental scarcity of basic data in many areas of development persists and more needs to be done to strengthen their capacities. The majority of partner countries do not yet have functioning systems for civil registration or industrial production (Figure 2.6).

Figure 2.6. Number of countries with capacity to deliver fundamental statistics



Note: UNESCO is the United Nations Educational, Scientific and Cultural Organization.
Source: OECD (2017[19]), Development Co-operation Report 2017: Data for Development, https://doi.org/10.1787/dcr-2017-en.

The hidden costs of inaction to strengthen data systems restrict the effectiveness of development efforts. The impact of the lack of data in developing countries ranges from lost business opportunities to ineffective public service interventions. Poor data can compromise the targeting and delivering of policies for marginalised populations. Development co-operation and statistical communities recognise that the following three aspects need to be addressed to increase statistical capacities (OECD, 2017[19]) (PARIS21, 2019[20]).

First, more comprehensive approaches to statistical capacity are needed. The Capacity Development 4.0 initiative addresses this issue and recognises leadership, management and communication skills as effective catalysers of stronger organisational processes in national data systems. This initative acknowledges the importance of incentives involved

in the design and delivery of capacity. The PARIS21 Statistical Capacity Monitor provides access to indicators on statistical capacity to inform the decisions of countries and partners and build new metrics for capacity in the field.

Second, investing in statistical systems must become a strategic priority. Innovative financing mechanisms, such as the potential creation of a global financing facility for development data (Rogerson and Calleja, 2019[21]), could improve the design and delivery of capacity. Co-ordinated, country-led approaches to funding capacity, including data compacts, can help to align partners and foster mutual accountability.

Third, encouraging development partners to strengthen national data ecosystems and use country-owned results data to monitor progress will give credibility to the data systems they support. These require clear vision and pragmatism to deal with the pressure to attribute results to every aid dollar and ensure that data collection information is accessible to all development actors.

Delivering better statistical capacity in the future will involve rethinking the current approach, putting countries' priorities at the centre, ensuring that national statistical offices are equipped with flexible skills to adapt to evolving data ecosystems, and improving both domestic and global co-ordination mechanisms.

Partner countries are making steady progress in strengthening public financial management systems

Strong PFM systems are an essential element of good governance and vital to achieving development goals. Partner country governments and their development partners have consistently committed to working to improve the quality of PFM systems. This commitment is based on an understanding of the foundational nature of these systems in moving towards more effective development efforts. While strong and comprehensive country PFM systems are important in their own right, the Global Partnership monitoring exercise assesses progress in strengthening a select number of core elements around budgeting, procurement, reporting and audit that have emerged as critical in the context of development co-operation and its effectiveness. Box 2.5 describes PFM systems and how PFM quality is assessed.

Box 2.5. What is a public financial management system and how is its quality assessed?

A public financial management (PFM) system is made up of different regulations, standards and processes that guide how a government uses and keeps track of its financial resources. This system ensures that public funds are allocated to priority areas in line with national development strategies and that such funds are used efficiently and in a way that ensures transparency and accountability to all.

A PFM system is generally understood to cover a broad range of areas across the full budget cycle (Figure 2.7), including fiscal strategy, revenue planning, expenditure controls, risk management and transparency measures (Mustapha et al., 2019[22]).

Figure 2.7. The budget cycle

To assess the quality of PFM systems, previous Global Partnership monitoring exercises used Criterion 13 of the World Bank Country Policy and Institutional Assessment to measure the quality of budgetary and financial management of a country's public financial management system. In accord with the 2017 effort to strengthen the monitoring framework and with a view to providing information on progress in strengthening specific aspects of systems, the Global Partnership now draws on the Public Expenditure and Financial Accountability (PEFA) framework.

A PEFA assessment provides analysis of various aspects of a country's PFM system and can be reapplied in successive assessments to track changes over time. For the purposes of Global Partnership monitoring, only the scores of a selected number of PEFA dimensions are used to determine progress in strengthening PFM systems. The selection of dimensions considered the core elements of PFM systems and aims to reflect the same PFM components that were measured by Criterion 13 of the Country Policy and Institutional Assessment to maintain comparability over time. The selected elements also cover areas that development partners deemed to be critical when deciding on their use of country systems. These areas were noted in *Using Country Public Financial Management Systems: A Practitioner's Guide*, a 2011 report commissioned by the Task Force on Public Financial Management under the auspices of the Working Party on Aid Effectiveness (Inter-American Development Bank/World Bank, 2011[23]). The Global Partnership's selection of the dimensions to be used to measure the quality of partner country PFM systems was undertaken in consultation with the PEFA Secretariat.

Most countries are making steady progress in strengthening their public financial management systems. The 2018 Global Partnership Monitoring Round found that 65% of partner countries show overall progress in strengthening their PFM systems and 10% show no overall change.[14] These results represent an improvement over the 2016 Monitoring Round, which found the majority of countries (58%) showed no change. The slow but steady progress seen since 2010 is consistent with the understanding that such institutional

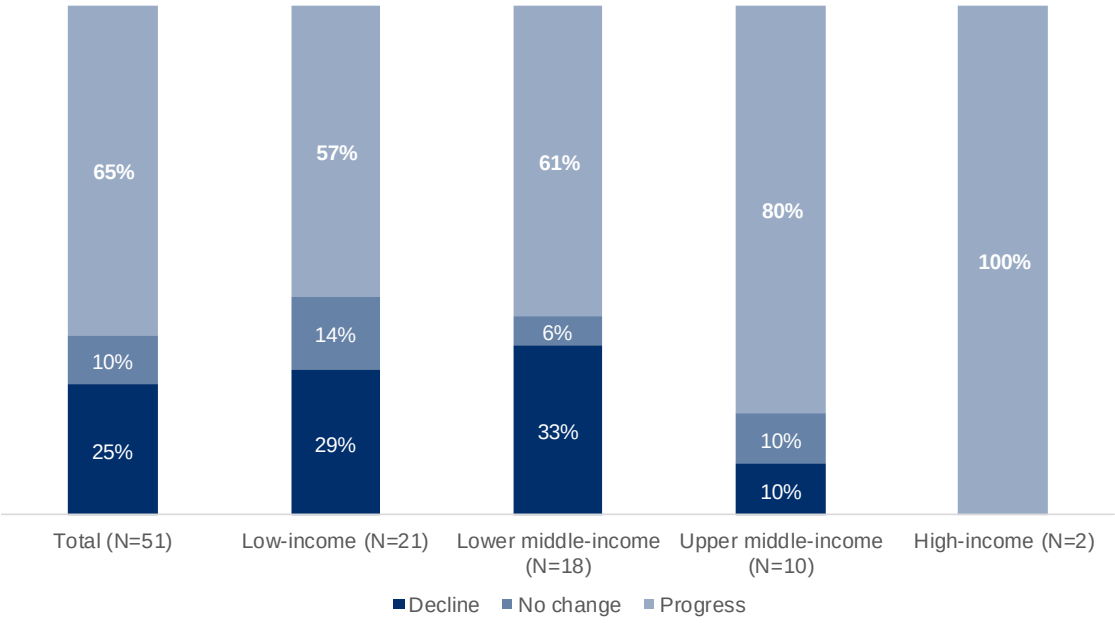
[14]. Comparison over time was possible with 51 of the participating countries that had 2 PEFA assessments.

changes take time, as they require not only changes in the systems themselves, but also the building of capacity to use and manage systems.

Progress in strengthening PFM systems is generally consistent across country income levels and country groupings, indicating it is not driven by broad country characteristics. However, data from the 2018 monitoring exercise show a slight upward tick in the case of upper middle-income countries (UMICs), with eight of ten showing progress in strengthening their PFM systems (Figure 2.8). This finding reconfims the results of research by Fritz, Sweet and Verhoeven (2014[24]) that explored the drivers and effects of strong PFM systems. This research showed that in most cases, macro-level country characteristics are not a strong predetermining factor for the strength of country systems, albeit with a limited positive association between strong systems and higher income levels and political stability.

Figure 2.8. Partner country progress in strengthening public financial management systems by income group

Comparison of countries' progress in strengthening PFM systems between their last two PEFA assessments, by income group



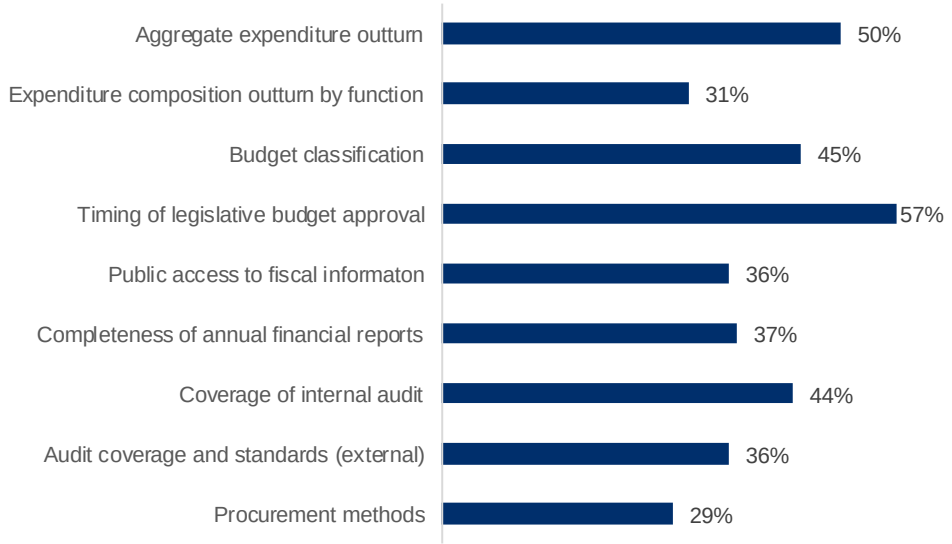
Notes: PEFA: Public Expenditure and Financial Accountability. The bars show the percentage of partner countries making progress, showing no change and showing a decline, based on an assessment of nine distinct categories (in the areas of budgeting, procurement, auditing and financial reporting) from the two most recently available PEFA assessments. All high-income countries participating in the Monitoring Round also are small island developing states.
Source: Figure draws on assessement of the quality of public financial management systems (Indicator 9a). Further information is available in GPEDC (2018, pp. 79-81[7]), *2018 Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

Partner countries are making progress in budget planning, but challenges remain in budget execution and reporting

The strongest gains in strengthening PFM systems relate to aspects of budget formulation. Global Partnership data show that 50% of partner country governments[15] made progress in strengthening expenditure planning, resulting in less variation between planned and actual expenditure in budget documents. Additionally, 45% of countries increased the extent to which their budgets are classified in line with international standards (Figure 2.9). However, while there is stronger planning at the outset of the budget cycle, gains are more limited in the later stages, particularly in the use of transparent procurement methods and the extent to which annual financial statements are complete, timely and in line with international standards. Examples of PFM strengthening are discussed in Box 2.6.

Figure 2.9. Partner country progress in strengthening public financial management system elements

Proportion of countries that made progress in strengthening elements of PFM systems in the period between partner country governments' last two PEFA assessments, as measured by selected PEFA dimensions



Notes: PEFA: Public Expenditure and Financial Accountability. The findings shown here are based on the 51 participating partner countries for which 2 PEFA assessments are available.
Source: Figure draws on assessment of the quality of public financial management systems (Indicator 9a). Further information is available in GPEDC (2018, pp. 79-81[7]), *2018 Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

[15]. These are the 51 participating partner country governments that had 2 PEFA assessments.

Box 2.6. Designing context-specific solutions to strengthen public financial management

Working with 40 African countries, the Collaborative Africa Budget Reform Initiative (CABRI) is an international organisation made up of African member states, and works with African finance and budget ministries to develop and implement tailored public financial management (PFM) reforms. Many partner country governments have extensive and long-running PFM reform programmes. However, these reforms often do not effectively resolve the challenges governments face. New systems are introduced, but spending agencies still do not receive cash on time and in the right amounts; new procurement procedures are adopted, but textbooks and medicines still are not distributed on time or on budget; new laws are passed to control spending, but over-commitments remain pervasive; and training is provided on criteria to assess budget bids for capital expenditure, but progress of infrastructure projects remains slow.

In part, these challenges persist because traditional approaches to PFM reform primarily focus on off-the-shelf technical fixes. CABRI programmes take the view that PFM reform does not lend itself to a one-size-fits-all approach and requires careful management of political and administrative constraints combined with a deep understanding of the local context.

The government of the **Central African Republic** adopted a modern procurement law, but nevertheless faced the problem of low spending by ministries, departments and agencies (MDAs) on the capital investment budget – as low as 2% and 3%. With the support of CABRI, government officials worked to deconstruct the underspending problem. Three broad underlying challenges were identified: 1) the people overseeing capital budgets in MDAs had insufficient knowledge and experience in implementing such budgets; 2) MDAs were not undertaking the feasibility studies required for approval of procurement plans; and 3) there was a lack of communication between MDAs and the Ministry of Finance.

A team then worked to find country-specific solutions through online courses, individual and team assignments, coaching, and open and frank feedback from peers. The initial results of the team's effort have been encouraging. For the first time, all 33 MDAs in the Central African Republic submitted their procurement plans, underpinned by a better understanding of how to better execute capital budgets. While many challenges remain, the team is aiming for capital expenditure of 50%.

In **Benin**, limited fiscal space is a perennial problem. To address this, the government decided to improve its revenue collection ability, but also understood that it could not ask citizens to pay their taxes unless citizens were confident public funds would be managed responsibly.

The Budget Directorate in the Ministry of Economy and Finance championed not only a more transparent budget system that contributes to effective and equitable PFM, but also increased participation in the budget process to enhance accountability.

The Budget Directorate, with the support of CABRI, established a Pilot Budget Transparency and Communications Unit to guide Benin's strategy to continue to improve budget transparency and participation. The unit was tasked with providing timely, comprehensive budget information and with ensuring that this information is presented in accessible formats to facilitate public participation. As an example of its efforts, video versions of the 2019 executive's budget proposal and the 2019 Budget Law were published in five local languages in addition to French.

To ensure the budget process is open to the public, the unit has prepared a budget calendar for civil society to better understand the budget formulation process and at which points it can get involved. Training is being provided to build the capacity of civil society organisations to improve accountability and provide a robust budget participation process at both local and national level.

Source: CABRI (n.d.[25]), PFM knowledge hub website, www.cabri-sbo.org.

Countries are strengthening legislative oversight of the budget. The 2018 Monitoring Round data found that 57% of countries made progress in ensuring that budgets are submitted to their legislative body for review and approval in advance of the fiscal year, thus allowing adequate time for legislative oversight. By extension, this timing also allows for public scrutiny, which is critical for transparency and accountability.

At the same time, the proportion of development co-operation subject to parliamentary oversight has decreased. On average, according to 2018 Monitoring Round data, 61% of development co-operation was recorded on national budgets subject to parliamentary oversight, a drop from 66% as reported in the 2016 Global Partnership Monitoring Round. There are several possible explanations for these results. One is that development partners continue to struggle to provide forward-looking data in time for consideration in partner countries' budget planning cycles. The decrease also could relate to changing disbursement modalities, whereby providers increasingly are channelling development co-operation directly through implementing partners rather than to the public sector in some partner countries. In any case, these results underline that as the sources of development co-operation and implementation modalities evolve, increased focus is needed to ensure that these changes do not result in a loss of transparency and accountability.

Box 2.7. Small island developing states in the 2018 Monitoring Round

Small island developing states (SIDS) are diverse in terms of population size and density, geographical spread, and development progress, yet they share common challenges and vulnerabilities, including high exposure to natural disasters, climate change and global economic shocks. Against this backdrop, development co-operation remains a vital source of financing for development for many SIDS (OECD, 2018[26]).

With strong development planning in place, almost all (95%) of the 22 SIDS participating in the 2018 Monitoring Round have established national development strategies. However, more than half (56%) of SIDS indicate that they would benefit from stronger statistical capacity to provide regular and accurate updates on progress in implementing development programmes. Further, one-third of SIDS do not currently use their development strategies to inform dialogue with development partners.

Six of eight SIDS reporting on their public financial management (PFM) systems have made progress in strengthening those systems, with strong improvements in processes related to budgeting. These results respond the call to develop "robust and credible" PFM systems (Pacific Islands Forum Countries, 2018[27]). Nonetheless, few SIDS promote gender-responsive goals (such as gender-related budget objectives) through PFM (12% of SIDS compared to 38% of non-SIDS) and Public Expenditure and Financial Accountability assessments need to be conducted more broadly and frequently in SIDS to allow the tracking of progress across the board.

Partner countries are undertaking gender-responsive budgeting, but gaps remain in translating their commitment to gender equality into adequate resources and monitoring systems

Adequate and effective financing is essential to achieve gender equality and to empower all women and girls. By tracking resource allocations, governments introduce deliberate measures into the planning and budgeting cycle to meet their gender policy objectives. By making these allocations public, governments commit to higher levels of transparency and accountability in budget decision making (Box 2.8).

Box 2.8. Assessing national government systems and transparency for meeting the 2030 Agenda goals on gender equality and women's empowerment

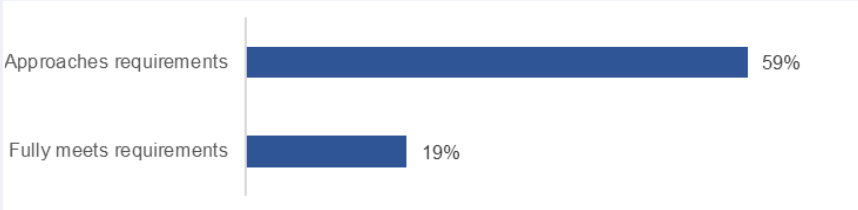
Sustainable Development Goal (SDG) Indicator 5.c.1 measures the proportion of countries that have systems to track allocations for gender equality and women's empowerment and to make those allocations public. Developed through the collaboration of the Global Partnership and UN Women and with contributions from the OECD-DAC GenderNET, this indicator sets the international standard for gender-responsive budgeting. It assesses progress towards SDG Target 5.c, to "adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels." The indicator also links the policy and legal requirements for gender equality with resource allocations for implementation of these requirements.

Indicator 5.c.1 measures three criteria. The first focuses on the intent of a government to address gender equality and women's empowerment by identifying whether a country has gender-responsive policies and/or programmes and corresponding resource allocations. The second criterion relates to whether a government has mechanisms to track such resource allocations throughout the budget cycle, from budget planning through to evaluation of impact of expenditures. The third criterion focuses on transparency and relates to whether a government has provisions to make information on allocations for gender equality and women's empowerment publicly available.

Convened by the UN Secretary-General, the Inter-Agency Expert Group on SDG indicators previously classified Indicator 5.c.1 as a Tier III indicator. The indicator methodology was revised in 2017, following a series of consultations and pilot testing, and now assesses the gender-responsiveness of a number of specific elements within public financial management systems. Further, it also applies more rigour in the thresholds required to meet the indicator criteria. Following these refinements, Indicator 5.c.1 has been reclassified and upgraded to Tier II. In the 2018 Monitoring Round, 19% (13 of 69) of partner countries report they have comprehensive tracking systems in place and make gender budget allocations available publicly, thus fully meeting the indicator requirements. As Figure 2.10 shows, an additional 59% of partner countries report they have taken steps to establish such systems and have some basic elements of these systems in place.

Figure 2.10. Significant progress needed for national systems to meet requirements for tracking and making public gender-related allocations

Proportion of partner country governments that have national systems to track and make public gender-related allocations



Note: 1. SDG indicators are classified as one of three tiers, based on their level of methodological development and the availability of data at the global level, with Tier I being the most robust. More information on SDG indicator classifications is available at: https://unstats.un.org/sdgs/iaeg-sdgs/tier-classification. 2. In 2016, 47% of countries had systems to track and make public allocations for gender equality and women's empowerment. When the 2016 Global Partnership monitoring methodology is applied, 78% of countries would have systems that track and make public allocations for gender equality and women's empowerment.
Source: Figure draws on assessment of whether countries have systems to track and make public allocations for gender equality and women's empowerment (Indicator 8, SDG 5.c.1). For further information see GPEDC (2018, pp. 41-45[7]), *2018 Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

Strong, gender-responsive development strategies show that partner countries are committed to gender equality, but these strategies are not resourced. Whether they have separate gender plans or national development strategies with a gender focus, nearly all partner countries (90%) have policies or programmes in place to address gender-equality goals.[16] In most cases, these are not stand-alone policies. Rather, partner countries include gender equality and women's empowerment as an objective in broader national development strategies or mainstream the goals within sector policies and/or programmes. However, fewer than half of partner countries (43%) report that adequate resources are allocated to support gender-equality activities, which signals an important policy implementation gap.

Partner countries' expressed intention to address gender-equality goals is not yet matched with systems to track gender-related budget allocation data and make the data publicly available. Results of the 2018 Monitoring Round show that partner countries are experiencing challenges moving beyond the planning phase to putting in place mechanisms to systematically track allocations to gender equality and women's empowerment throughout the budget cycle and also to make these allocations public. While 51% of partner countries include specific guidance on gender-related objectives in their budget call circulars (or equivalents), fewer (28%) tag budget allocations to identify their link with gender-equality objectives, and only 19% conduct gender audits of the budget. Currently, 64% of countries publish information on gender-equality budget allocations, but

[16]. The figure of 90% is calculated from the 69 partner countries that reported on their systems to track allocations for gender equality and women's empowerment. The percentages in this section on gender are calculated using the 69 partner countries as the denominator.

continued effort is needed to make this information available in a timely and accessible manner.

Partner countries are seeking to build capacity for sex-disaggregated statistics. More than half of partner countries report they already are using sex-disaggregated statistics to inform budget-related decisions, although this often is occurring for sectors seen as more clearly linked to gender issues (e.g. health) and is not always mainstreamed for all policies and/or programmes. Many partner countries, those that already use sex-disaggregated statistics to inform decision making as well as those that do not, indicate a need for increased capacity in this area – both in terms of collecting the data and to understand and systematically use this information.

In partner countries that are performing well in areas related to gender equality, gender responsiveness is mainstreamed within the PFM system. Qualitative inputs from partner countries that participated in the 2018 Monitoring Round show that those countries that do well do not have stand-alone systems to track and make public their allocations to gender equality; rather, these countries mainstream gender in each step of their budget planning, execution and reporting processes. For example, in countries that report providing guidance on gender-related objectives during budget preparation, there is also guidance provided across different themes and sectors. This confirms the importance of a comprehensive approach to implement policy priorities, whereby governments incorporate gender-sensitivity throughout the budgeting and PFM process and systems rather than through isolated and separate efforts.

3. Partner country governments can enable more meaningful engagement to maximise a whole-of-society approach

To realise the ambitions of the 2030 Agenda, meaningful participation from all stakeholders is vital. While multi-stakeholder engagement has long been recognised as important to development, the Sustainable Development Goals (SDGs) require that countries move from a whole-of-government to a whole-of-society approach (Cázarez-Grageda, 2018[28]). Governments have a unique responsibility to lead development. But their efforts cannot be successful without the inclusive and equitable participation of all actors. Recognising this, the 2030 Agenda calls for collective action by the whole of society to implement long-lasting development solutions. National and subnational governments, parliaments, civil society organisations, the private sector, foundations, trade unions, communities, and individuals each have different and complementary roles to play in the collective pursuit of sustainable development. Inclusive engagement is essential in all aspects of the development process, beginning with planning and continuing through implementing and monitoring national development strategies.

Openness, trust and mutual respect, as well as a recognition of these different and complementary roles of different stakeholders, are equally crucial to ensuring that all stakeholders are willing and able to work together. While Global Partnership monitoring has a focus on the engagement of civil society and the private sector, the full diversity of stakeholders play critical roles in achieving sustainable development at country level, but they must be engaged in a meaningful way to have impact.

This chapter examines government efforts to create enabling environments and to actively seek the engagement of diverse actors. It is organised in three sections. The first of these looks at how partner country governments engage with national stakeholders during planning and mutual accountability activities. This analysis draws on Global Partnership data that assess the inclusive nature of how development efforts are planned and tracked. The second assesses the enabling environment for civil society organisations (CSOs). The third section discusses how governments are maximising private sector input for development through public-private dialogue (PPD). Analysis for the second and third sections looks at results from Global Partnership indicators that have a dedicated focus on civil society and the private sector respectively.

The key findings from these three sections are:

- National development planning is becoming more inclusive, but more systematic and meaningful engagement of diverse stakeholders throughout development processes is needed. Nearly all partner country governments consult broadly with national stakeholders in the design of national development strategies. However, more must be done to ensure these consultations are conducted in a way that provides the whole-of-society real opportunity to shape priorities and track implementation.
- The enabling environments in which CSOs operate have deteriorated since the last monitoring round. There has been a decline in each of the four assessed areas of an enabling environment for CSOs. Governments and civil society have diverging views on the enabling environment for CSOs. One example relates to whether adequate legal and regulatory frameworks exist, with CSOs in only one-fourth of

partner countries reporting that expression is free from government control. In addition, fewer partner countries reported on the enabling environment for civil society in 2018 than in the 2016 Monitoring Round, lending weight to warnings that space for civil society is contracting.

- If PPD is to lead to real action and results, partner country governments must ensure it is focused on areas of mutual interest and is inclusive of all relevant stakeholders. While there is strong trust and willingness to engage among public and private sector stakeholders – vital for productive dialogue – limits in capacity and inclusiveness hamper the effectiveness of PPD. Since governments lead development processes, including by setting agendas for dialogue and facilitating the participation of different actors, there is a need for critical reflection on how to improve the relevance and inclusiveness of engagement efforts.
- Redoubled efforts are needed to build and strengthen capacity so that all stakeholders can effectively contribute to sustainable development. While governments are responsible for creating an enabling environment conducive to maximising the contributions to development of all parts of society, civil society and the private sector also must focus on building their capacity and effectiveness – including how they organise among themselves – to ensure they are engaging constructively with the government.

SECTION 3.1. HOW EFFECTIVELY DO PARTNER COUNTRY GOVERNMENTS ENGAGE NATIONAL STAKEHOLDERS IN DEVELOPMENT PLANNING AND MUTUAL ACCOUNTABILITY ACTIVITIES?

To strengthen country ownership, governments must do more to ensure meaningful and inclusive participation in planning and tracking of development efforts

In designing national development strategies, partner country governments consult a broad range of national stakeholders. Almost all partner country governments (93%) report they consulted three or more stakeholders when designing their national development strategy. All partner country governments with a national development strategy in place consulted at least one stakeholder group such as a subnational government, parliament, civil society or the private sector. Box 3.1 describes the roles and contributions to development efforts of parliaments, subnational governments, trade unions and foundations and outlines how Global Partnership monitoring captures their contribution. The role and contribution of civil society and private sector are addressed in subsequent sections.

Box 3.1. Leveraging the value of each stakeholder

Parliamentarians. Parliamentarians are fundamental to national development efforts. They enact legislation, adopt national budgets, and oversee the effective implementation of national and international commitments, as set out in §44 of the Nairobi Outcome Document (NOD) (GPEDC, 2016[5]). As a consequence, alignment of development policies and budgets to the 2030 Agenda falls under the purview of parliamentarians. Global Partnership monitoring captures the role and contribution of parliamentarians by assessing whether governments have engaged parliamentarians in the preparation of national development strategies, in contributing to public-private dialogue (PPD) and in mutual accountability mechanisms for development co-operation. Monitoring also assesses whether parliamentarians have oversight with respect to the inclusion of development co-operation in the national budget as well as budget allocations for gender equality and women's empowerment.

Subnational governments. Local governments are a crucial link between citizens and the national government, feeding local development priorities, ideas and contributions into national development processes. Local governments also can strengthen development partnerships among citizens and other local actors, including the business sector (NOD §47). Global Partnership monitoring captures the role and contribution of subnational governments through assessing whether local governments are engaged in the preparation of national development strategies; how subnational strategies are aligned to national development strategies; and whether local governments are included in PPD and in mutual accountability mechanisms for development co-operation.

Trade unions. Trade unions are development actors that advocate for and facilitate collective bargaining on behalf of workers. Unions promote decent work and advocate for equitable business practices. Global Partnership monitoring captures the role and contribution of trade unions through assessing whether trade union focal points are included in national PPD initiatives and in mutual accountability mechanisms for development co-operation.

Foundations. The knowledge and expertise of philanthropic actors provide valuable contributions to national development efforts. The importance of these actors extends beyond the financial support they provide. Foundations also are catalytic agents of resources and relations that help to strengthen the effectiveness and quality of development co-operation (NOD §69). Global Partnership monitoring captures the role and contribution of foundations through assessing whether foundations are included in national PPDs and in mutual accountability mechanisms for development co-operation.

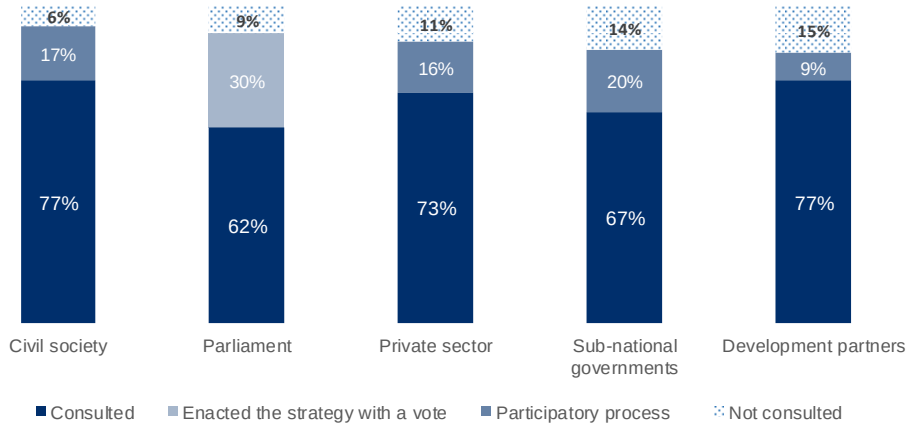
Engagement with national stakeholders can become a more meaningful, participatory process. In practice, this means engagement should be a process that is adequately planned, appropriately timed and well-communicated; systemically engages diverse stakeholders in a way that builds trust among participants; and achieves a level of coherence between the views of stakeholders and the national development strategy eventually adopted[17] (UNDP, 2016[29]). This

[17]. This does not imply that stakeholder views must be adopted. Rather, a participatory process aims to achieve some level of coherence among the views of an inclusive range of actors and the partner country government and/or where this is not possible, to provide meaningful feedback setting out the reason(s) certain views are not reflected in the national development strategy.

type of meaningful, participatory process will ensure strong ownership by all segments of society of the resulting national development strategy and the aspirations it expresses. Although they consult broadly, few partner country governments report they also allowed stakeholders to engage in a participatory process to shape the national development strategy (Figure 3.1). The government submitted the national development strategy to the parliament for a vote in only 30% of partner countries.

Figure 3.1. Partner country governments consult broadly when designing national development strategies, but participatory processes are rarer

Proportion of partner country governments that engaged national stakeholders in the development of the national development strategy



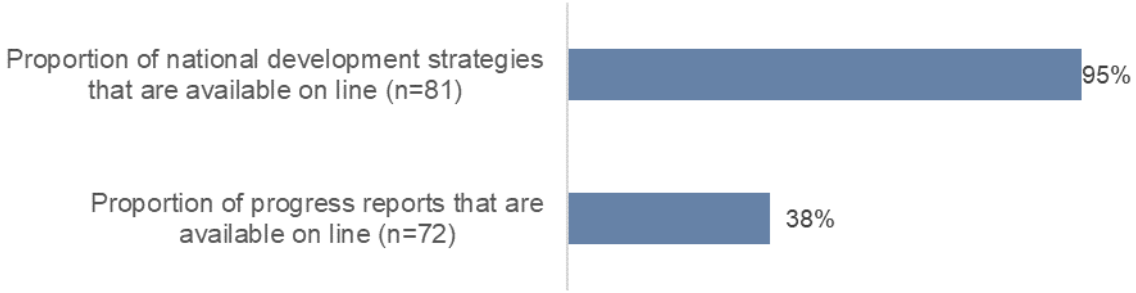
Notes: "Consulted" means the government made proposals to the particular stakeholder group and sought its opinions. "Enacted the strategy with a vote" means the strategy was submitted to a parliament for a vote. "Participatory process" means stakeholders were allowed to make proposals and some of these proposals were used in designing the national development strategy.
Source: Figure draws on assessment of the quality of national development strategies (Indicator 1b). Further information is available in GPEDC (2018, pp. 29-34[7]), *2018 Global Partnership Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

To reinforce country ownership of national development strategies, partner country governments should make progress reports on implementation publicly available, bolstering transparency and accountability through accessible information. Almost all partner country governments (95%, 77 of 81) that have a national development strategy have made the strategy publicly available[18] (Figure 3.2).While the vast majority (89%, 72 of 81) track progress in implementing the national development strategy, only 38% of partner country governments (27 of 72) made their progress report publicly available.

[18]. Availability of the national development strategy and/or progress report on line is used as a proxy for "publicly available". While this proxy has limitations, online availability indicates a government's readiness to share information in a transparent manner.

Figure 3.2. Few partner country governments make progress reports on implementation of the national development strategy publicly available

Proportion of partner country governments that make available on line the national development strategy progress reports of the national development strategy



Note: National development strategies and progress reports on their implementation are considered to be publicly available in cases where respondents provide a link to a web page.
Source: Figure draws on assessment of the quality of national development strategies (Indicator 1b). Further information is available in GPEDC (2018, pp. 29-34[7]), *2018 Global Partnership Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

SECTION 3.2. HOW ARE PARTNER COUNTRY GOVERNMENTS FARING IN CREATING AN ENABLING ENVIRONMENT FOR CIVIL SOCIETY?

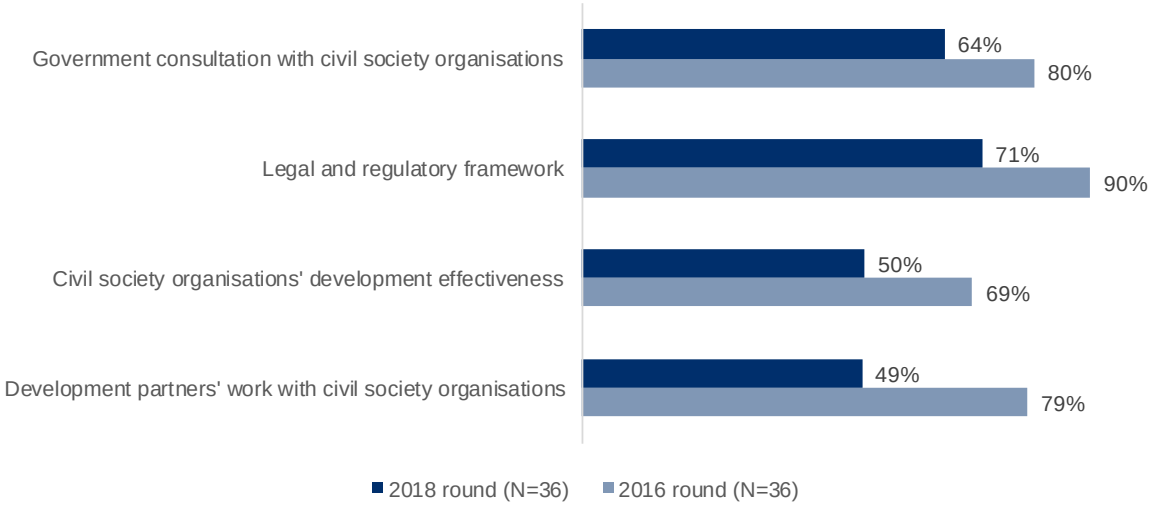
Constraints on civil society have increased, negatively affecting its ability to participate in and contribute to national development processes[19]

The enabling environments in which civil society organisations (CSOs) operate have deteriorated since the 2016 Monitoring Round. CSOs 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 (OECD, 2009[30]). Through their community roots and outreach, CSOs play a fundamental role in development, including by empowering and providing services to people living in poverty and by working to ensure that the voices of all society groups are heard. Global Partnership monitoring looks at four broad areas in assessing the CSO-enabling environment. These are presented in Box 3.2. Several good practices exist (Ceelen, Wood and Huesken, 2019[31]), but overall, conditions affecting CSOs' contributions to development have deteriorated in each of the four areas in the period between the 2016 and 2018 Global Partnership monitoring rounds (Figure 3.3).

[19]. This section discusses three areas of what is assessed regarding the enabling environment for civil society organisations. The areas that are the responsibility of the partner country governments and of the CSOs are discussed in detail here; the area pertaining to development partners is discussed in greater detail in Part II of the Progress Report.

Figure 3.3. Deterioration of enabling environments in which civil society organisations operate

Aggregate results (on a scale of 0 to 100 points) on the four assessed areas of enabling environments in which CSOs operate, by year



Notes: The data sample illustrated in this figure is limited to the 36 countries that reported on CSO-enabling environments in both the 2016 and the 2018 Global Partnership Monitoring Rounds. For 2018, the figure shows average results of individual responses of governments, civil society and development partners that reported on the CSO-enabling environment. For 2016, the figure shows the responses provided by the government in consultation with civil society and development partners that reported on the CSO-enabling environment.
Source: Figure draws on assessment of the environment for civil society organisations (Indicator 2). Further information is available in GPEDC (2018, pp. 62-67[7]), *2018 Global Partnership Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

Box 3.2. Conditions that maximise effective civil society engagement and contribution to development

Global Partnership monitoring looks at four broad areas to evaluate the conditions in which civil society organisations (CSOs) operate and whether these enable them to effectively work and contribute to development efforts.

1. **How do governments consult with CSOs on national development policies?** This area assesses the extent to which governments consult CSOs on national development policies and whether CSOs have access to timely and relevant information to effectively participate in these consultations.
2. **Are adequate legal and regulatory frameworks in place?** This area, grounded in internationally recognised human rights,[1] assesses the extent to which the country's legal and regulatory frameworks enable CSOs to associate, assemble and express themselves; allow them to access resources; and provide effective protection to CSOs that work with marginalised or at-risk populations.
3. **To what extent are CSOs effective?** This area assesses the effectiveness of civil society organisations' own operations in line with the Istanbul CSO Development Effectiveness Principles and the International Framework on CSO Development

Effectiveness[2] (CSO Partnership for Development Effectiveness, 2010[32]). It looks at whether CSOs co-ordinate among themselves to facilitate participation in policy dialogue and whether they engage in equitable funding partnerships.[3] It also addresses whether CSOs are implementing their development work guided by international human rights standards and principles and are transparent and accountable in their operations.

4. **How well do international development partners work with CSOs?** This area assesses the extent to which development partners consult with CSOs on development co-operation policies and programmes and whether development partners promote an enabling environment for CSOs in their engagement with governments. Also assessed is whether development partners provide effective financial support that maximises the contribution of CSOs to sustainable development.

Responsibility for making improvements across these four areas is distributed and shared among stakeholders. The first two areas are the responsibility of governments; the third area is primarily the responsibility of CSOs; and the fourth area relates to the behaviour of development partners. In the spirit of a multi-stakeholder approach, and for a balanced assessment, the Global Partnership methodology collects the views of civil society, governments and development partners across all four areas. This allows the collating of results that are informed by these diverse stakeholders and also reveals cohesion or diversion of views among these stakeholders.

Notes: 1. Freedoms of expression, association and peaceful assembly are recognised as universal human rights. See the Universal Declaration of Human Rights at: https://www.ohchr.org/EN/UDHR/Documents/UDHR_Translations/eng.pdf. 2. The Istanbul Principles were agreed at the 2010 Global Assembly of the Open Forum for CSO Development Effectiveness in Istanbul. They are the foundation of the International Framework on CSO Development Effectiveness, which further elaborates these Principles. 3. "Equitable funding partnerships" refer to a fair balance of power between financiers and national CSOs. The Global Partnership 2018 Monitoring Guide for National Co-ordinators provides a full description of equitable CSO partnerships (GPEDC, 2018, p. 66[7]).

Negative trends, across the four assessed areas and in partner country reporting on enabling environments for CSOs, lend weight to warnings of contracting space for civil society. A smaller proportion of partner country governments reported on the enabling environment for civil society than in the 2016 monitoring exercise, falling to 53% in the 2018 Monitoring Round from 73% in the 2016 round. The methodology for reporting on this topic was revised between the two monitoring rounds and reporting on this indicator remains relatively labour-intensive. But neither the length of the questionnaire nor the process for reporting changed, leaving no obvious technical explanation for this decline in reporting. Those partner country governments that reported on the CSO-enabling environment for the 2018 Monitoring Round selected and facilitated the participation of the CSOs for the assessment.[20] This can lead to selection bias and/or observer bias, whereby CSOs may report what the government expects or wants to hear. Combined, these factors may mean that observed negative trends in the evidence present an overly positive picture

[20]. About half of the participating governments were provided with contact information for national CSO focal points who were trained on the Global Partnership monitoring exercise by the CSO Partnership for Development Effectiveness. Ultimately, it was up to each participating government to select and facilitate engagement with civil society to report on the enabling environment for CSOs.

from reporting countries. Overall, the deterioration in results across the four areas assessed by the Global Partnership coupled with the fall-off in country reporting, support the widely reported view that space for civil society is shrinking[21] (CIVICUS, 2019[33]).

Partner country governments rate their actions in creating an enabling environment for CSOs more favourably than do CSOs. Overall, governments favourably rated the two areas that fall under their responsibility (consultation of CSOs and legal and regulatory frameworks) and ranked less favourably the two areas outside their responsibility (Figure 3.4). CSOs view the two areas of government responsibility less favourably. In the area of CSO development effectiveness, which relates to their own operations, CSOs were relatively critical when rating how well they are doing.

Figure 3.4. Stakeholders' aggregate views of the enabling environment for civil society organisatons

The perception of government, civil society and development partners on the four areas of a CSO-enabling environment (on a scale of 0 to 100 points)

Notes: A larger perimeter signifies a higher score. Each of the four areas covered in Global Partnership monitoring of enabling environments consists of four sub-elements that are aggregated to create the overall score in each of the four areas shown in this figure. Responses were received in 46 countries that assessed the CSO-enabling environment.
Source: Figure draws on assessment of the environment for civil society organisations (Indicator 2). Further information is available in GPEDC (2018, pp. 62-67[7]), *2018 Global Partnership Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

[21]. According to the CIVICUS (2019[33]) report on the state of civil society, 111 of the 196 countries reviewed have closed, repressed or obstructed civic space through a variety of practices that include legislative and regulatory restrictions. This is an increase over the 2017 finding by CIVICUS that 106 countries were restricting civic space.

Governments often consult civil society organisations, but these consultations can be more effective, inclusive and transparent

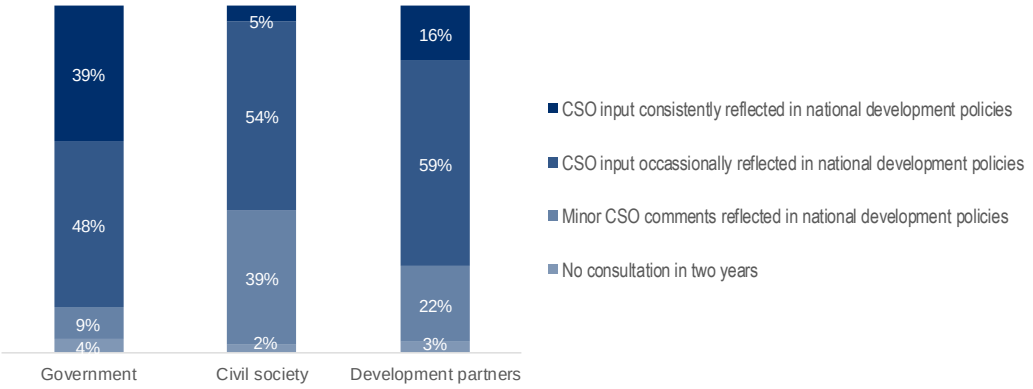
Partner country governments consult CSOs regularly on national development policies, but these consultations could be more effective. In almost all partner countries (95%), CSOs report that the government consulted them on national development policies during the previous two years. Kenya is an example of good practice, with the government using multi-stakeholder sector working groups to spearhead development planning and support budget allocation decisions. These sector working groups typically comprise members from line ministries, non-governmental organisations, the private sector, UN bodies and other relevant groups (Ceelen, Wood and Huesken, 2019[31]). Yet such a practice is not the norm. CSOs in 50% of partner countries report that consultation takes place during national decision-making processes when change in policy direction is still possible. However, in 50% of partner countries, CSOs report that these consultations could be more effective – i.e. institutionalised, regular, predictable and transparent.[22] These CSOs also report that their participation often is subject to restrictions and the selection for participation can be biased.

Government consultations with CSOs are not consistently used to inform the design, implementation and/or monitoring of national development policies. CSOs in a majority of partner countries (54%) report that governments occasionally incorporate some substantive elements of their advice but no clear government mechanism exists to provide post-consultation feedback explaining why certain CSO recommendations were accepted or rejected. In only 5% of partner countries CSOs report that the government takes their advice and evidence into account and that clear mechanisms for feedback are in place(Figure 3.5).

[22]. In only 14% of partner countries, CSOs report that they have full access to relevant, comprehensive information and sufficient lead time to prepare and participate in consultations.

Figure 3.5. Civil society organisations report that consultations are not consistently used to inform national development policies

Responses of governments, civil society and development partners on the use of results of recent consultation with CSOs to inform government design, implementation and monitoring of national development policies



Notes: CSO: civil society organisation. The complete wording of the response options is presented in the Characteristics of Practice at: http://bit.ly/Indicator2CoP
Source: Figure draws on assessment of the environment for civil society organisations (Indicator 2, Module 1, Question 1D). Further information is available in GPEDC (2018, pp. 62-67[7]), *2018 Global Partnership Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

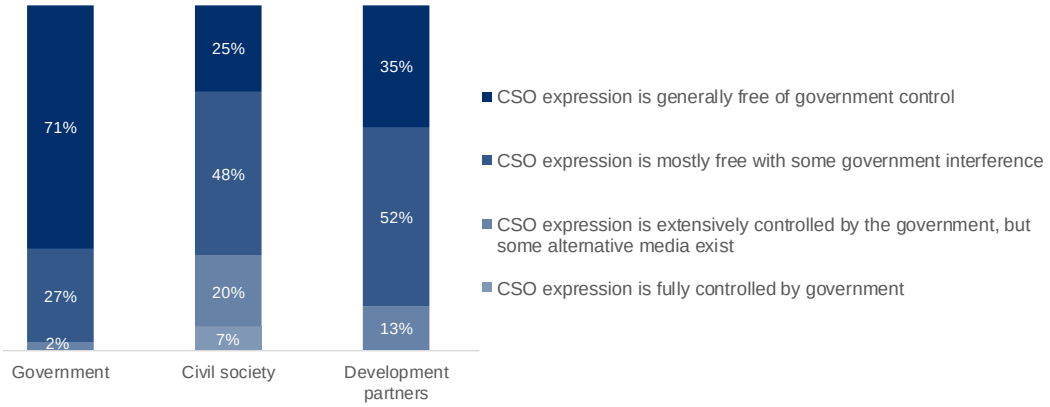
Legal and regulatory frameworks provide limited protection for civil society organisations in practice

CSOs report severely limited freedom of expression and limited protection from harassment when working with at-risk populations. Across the four areas assessed to evaluate the CSO-enabling environment, the views of governments and CSOs diverged most sharply over the quality of the legal and regulatory frameworks in place(Figure 3.4). In a majority of partner countries (71%), governments report that CSOs are generally free to express themselves, while CSOs agree with this view in only 25% of countries (Figure 3.6). Moreover, CSOs in 27% of countries report that their expression is fully or extensively controlled by the government; threats and arbitrary actions against non-state actors are only sometimes investigated; and the legal framework provides few effective safeguards against arbitrary surveillance. In response to a separate question, CSOs in 32% of partner countries report that those civil society organisations working with marginalised and at-risk populations experience harassment from public authorities. Kosovo*[23], however, offers an example of good practice in protection of CSOs. It has extended its constitutional guarantee of freedom of association specifically to CSOs under the 2010 Law on Freedom of Association for Non-Governmental Organizations. Registration of CSOs is voluntary, and the requirements for the establishment of a civil society organisation are considered reasonable (Ceelen, Wood and Huesken, 2019[31]).

[23] This designation is without prejudice to positions on status, and is in line with United Nations Security Council Resolution 1244/99 and the Advisory Opinion of the International Court of Justice on Kosovo's declaration of independence.

Figure 3.6. Diverging views on freedom of expression

Responses of governments, civil society and development partners on the extent to which the legal and regulatory framework enables CSOs to exercise their rights to freedom of expression and assembly

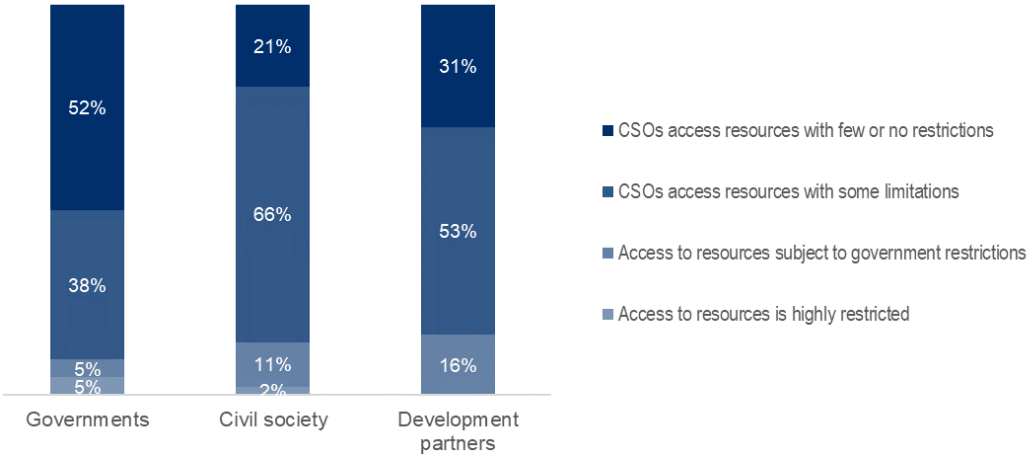


Notes: CSO: civil society organisation. The complete wording of the response options is presented in the Characteristics of Practice at: http://bit.ly/Indicator2CoP
Source: Figure draws on assessment of the environment for civil society organisations (Indicator 2, Module 4, Question 4A). Further information is available in GPEDC (2018, pp. 62-67[7]), *2018 Global Partnership Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

Legal and regulatory frameworks in most cases, however, allow and/or facilitate CSOs to access resources. In a majority of partner countries (87%), CSOs report that laws and regulations, with some or no limitations, permit them to access national and international resources such as government grants and contracts, receive tax benefits and exemptions, and access international resources. Overall, while they acknowledge restrictions exist, a majority of partner country governments, development partners and CSOs report favourably on the legal and regulatory environment in this regard (Figure 3.7).

Figure 3.7. Access to resources is not considered highly restricted

Responses of governments, civil society and development partners on the extent to which the legal and regulatory environment facilitates access to resources for domestic CSOs



Notes: CSO: civil society organisation. The complete wording of the response options is presented in the Characteristics of Practice at: http://bit.ly/Indicator2CoP

Source: Figure draws on assessment of the environment for civil society organisations (Indicator 2, Module 4, Question 4D). Further information is available in GPEDC (2018, pp. 62-67[7]), *2018 Global Partnership Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

CSOs recognise the need for better CSO co-ordination, but also call for more equitable partnerships

CSO co-ordination is strong, but can be more inclusive. CSOs are responsible for ensuring their effectiveness in line with the Istanbul Principles and the International Framework for CSO Development Effectiveness (Box 3.2). CSO co-ordination is an important element, in that it is essential to maintaining the unity and inclusiveness of civil society. In 95% of partner countries, governments, development partners and CSOs report that CSOs co-ordinate their activities through platforms, networks and associations. However, in 27% of the partner countries the three stakeholder groups report that these mechanisms are weak – for example, in terms of leadership, inclusive participation, resources for engagement and/or accountability to domestic CSOs – or that the mechanisms are driven by development partners and/or government interests rather than CSO interests. The NGO Federation of Nepal (NFN) offers an example of good practice in this regard. The NFN has streamlined its code of conduct, internal governance structure and management and also has developed an non-governmental organisation (NGO) Governance Resource Book, trained more than 2 000 NGO staff and established a hotline to provide NGOs with immediate advice. The aim of this self-regulation is to enhance development effectiveness and accountability (Ceelen, Wood and Huesken, 2019[31]).

More equitable partnerships also would strengthen the development effectiveness of all CSOs, regardless of size and resources. In the majority of partner countries (89%), CSOs report that the basis of partnerships between domestic CSOs (local or national) and CSOs that provide financing (usually larger, international CSOs) is either to directly implement the projects of the financing CSO or respond to its programmatic priorities. Such partnerships typically prioritise the financing CSO's programmes over local needs and priorities, placing a burden on smaller, domestic CSOs. More equitable CSO partnerships would bolster local and national ownership and the ability of CSOs to operate and respond to the needs of their target communities.

SECTION 3.3. HOW EFFECTIVE ARE PARTNER COUNTRY GOVERNMENTS IN STRENGTHENING PUBLIC-PRIVATE DIALOGUE?

Meaningful public-private dialogue, results-oriented and based on mutual trust, has the potential to accelerate achievement of development goals

Public-private dialogue is crucial to leverage the full potential of the private sector's contribution to sustainable development. The 2030 Agenda recognises the important role of a diverse private sector in achieving sustainable development and calls "on all businesses to apply their creativity and innovation to solving sustainable development challenges". The private sector can contribute both financial and non-financial resources for sustainable development. Maximising these contributions requires a conducive operating environment for business, however, and this in turn requires effective engagement of the public and private sectors based on open and transparent dialogue.[24] Seeking to boost the contributions of the private sector through dialogue underpins the Global Partnership monitoring approach.[25] By measuring the quality of PPD,[26] monitoring assesses the effectiveness of partnering between a government and the private sector, thus enabling them to jointly shape an operating environment in which the private sector can maximally contribute to inclusive growth and sustainable development.

Overall, reporting on PPD quality is limited, but countries that did report took into account and reflected the views of private sector stakeholders. Global Partnership monitoring assesses the quality of PPD in terms of three key areas and six related elements, as illustrated in Figure 3.8. In monitoring rounds prior to 2018, governments of participating countries reported on the quality of PPD in consultation with private sector representatives. In the 2018 Monitoring Round, a revised methodology asked governments and private sector stakeholders (large private sector firms, small and medium-sized enterprises [SMEs], and trade unions) individually to rate the quality of dialogue based on four levels which were then converted to a scale of 0 to 100, with 100 representing the highest possible quality. The revised methodology, requiring data collection from different private sector stakeholders, may have contributed to the decrease in the number of partner countries reporting on this topic (47 in the 2018 round versus 55 in the 2016 round). In most of the countries reporting on PPD quality, multiple private sector stakeholders participated in the reporting (Figure 3.9). This can be considered a positive result, although it is important to acknowledge that the countries that chose to report may also be those with stronger PPD mechanisms.

[24]. As noted by Bettcher, Herzberg and Nadgrodkiewicz (2015[37]), such dialogue is essential to "expand the space for policy discovery" where policy makers, private sector experts and other stakeholders come together to discuss policy directions, opportunity for collaboration and other issues that meet the needs of all involved.

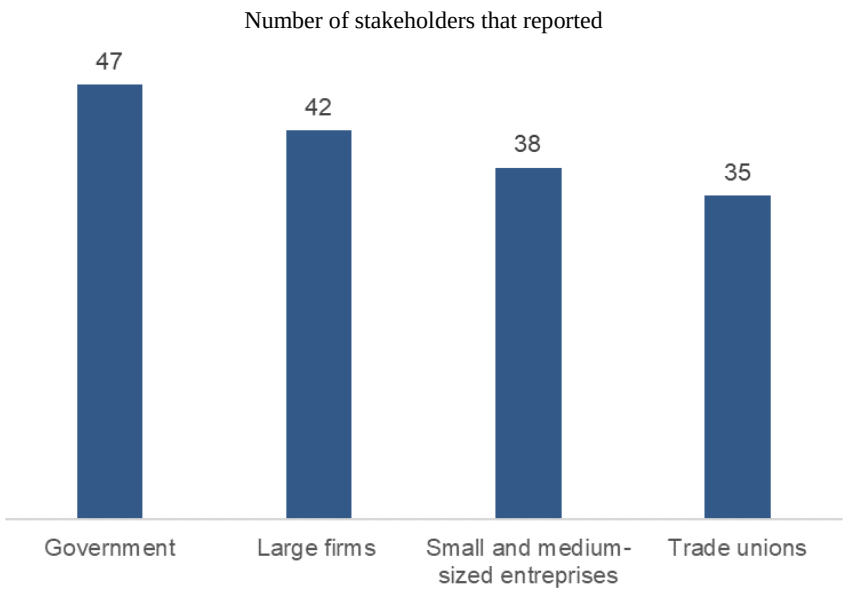
[25]. In line with the 2030 Agenda for Sustainable Development, and as noted in Paragraph 67 of the corresponding UN General Assembly Resolution (UN, 2015[3]), the Global Partnership monitoring exercise acknowledges the diversity of the private sector and that the private sector includes entities run by private individuals or groups that usually seek to generate profit and are not controlled by the state. For more information on the definition of the private sector, see GPEDC (2018, pp. 68-73[7]).

[26]. PPD includes all opportunities in which the public and private sectors come together in dialogue, whether these are formal, informal, national, subnational, permanent or temporary opportunities.

Figure 3.8. Elements of high-quality public-private dialogue

Building block	Quality element	Description
Enabling context	Mutual trust	**The level of trust and willingness from the public and private sector to engage with one another:** When high, eagerness to engage is backed by high-level support and buy-in.
	Readiness	**The extent to which public and private actors are able and ready to engage with one another:** When high, both sides have the capacity to engage and are internally co-ordinated, including by having so-called champions or established engagement mechanisms.
Meaningful dialogue	Relevance	**The extent to which existing dialogue addresses issues of concern to both sides:** When high, the dialogue agenda is mutually agreed.
	Inclusiveness	**The level of inclusiveness of participation in public-private dialogue:** When high, dialogue engages all relevant actors from both sectors, including the full diversity of private sector stakeholders.
Effective engagement	Organisational effectiveness	**The extent to which existing public-private dialogue arrangements are organised to achieve results:** When high, dialogue is structured, regular and geared towards achieving concrete results.
	Joint action	**The extent to which existing public-private dialogue initiatives increase collaboration:** When high, joint action between public and private stakeholders is increasing.

Figure 3.9. Stakeholders that participated in assessing public-private dialogue quality

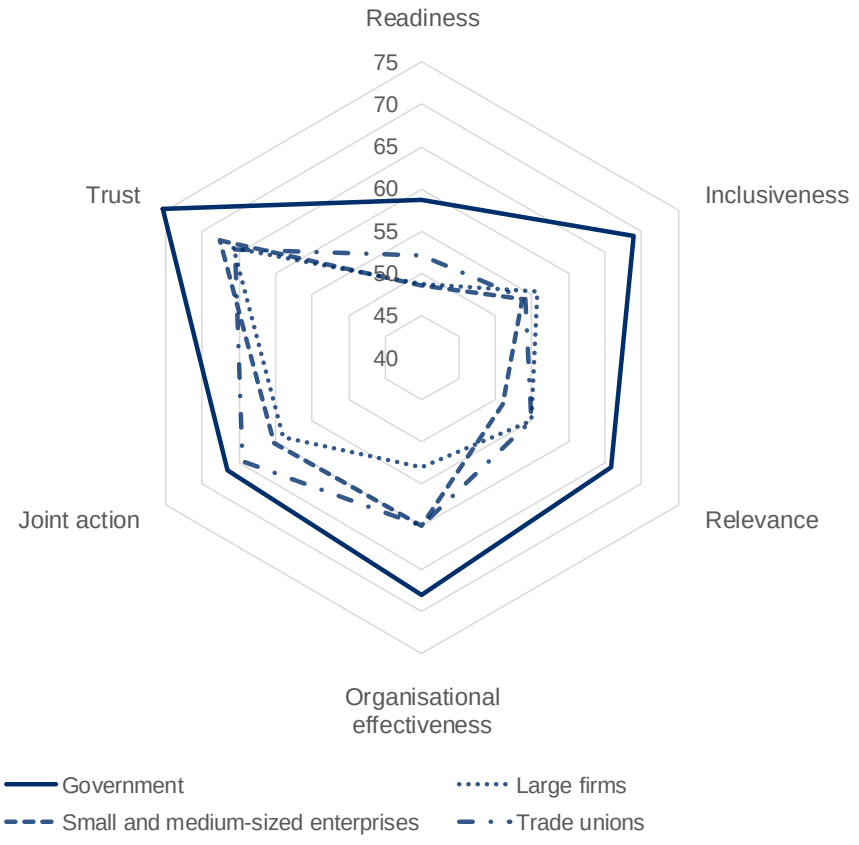


Note: The 47 partner countries in which the government reported on public-private dialogue quality include 44 in which at least 1 private sector stakeholder also provided responses and 3 countries in which only the government participated.
Source: Figure draws on assessment of the quality of public-private dialogue (Indicator 3). Further information is available in GPEDC (2018, pp. 68-73[7]), *2018 Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

Private sector stakeholders' views concerning PPD quality are less positive overall than those of partner country governments, suggesting more work is needed to exploit the potential of dialogue to maximise the private sector's contribution. As shown in Figure 3.10, the views of governments and private sector stakeholders differ on the quality of their PPD, with governments rating it consistently higher across all criteria. Across all six elements, governments rate PPD quality at an average score of 64, compared to an average score of 51 among private sector stakeholders. The starkest differences relate to the inclusiveness and relevance of the PPD. These signify challenges in how governments are implementing PPD.

Figure 3.10. Divergence of stakeholder views on the quality of public-private dialogue (global averages)

The perception of government, large private sector enterprises, small and medium-sized enterprises, and trade unions on the six elements that constitute high-quality PPD (on a scale of 0 to 100 points).



Notes: A larger perimeter signifies a higher score. The figure illustrates the average scores across the six quality elements of public-private dialogue for all four stakeholder groups that participated in the 2018 Monitoring Round. These numbers can be directly compared, given that the scale and assessment criteria are the same for all four stakeholder groups. For a more detailed description of the six elements and what the optimal levels of these elements entail, refer to Figure 3.8.

Source: Figure draws on assessment of the quality of public-private dialogue (Indicator 3). Further information is available in GPEDC (2018, pp. 68-73[7]), *2018 Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

Public and private actors are willing to participate in dialogue, but have limited capacity to engage effectively

Partner country governments and the private sector demonstrate promising mutual trust and a willingness to engage with each other. Governments express sincere interest in engaging the private sector. Private sector stakeholders demonstrate shared optimism in this area. However, while governments report an increased score in trust (77 in the 2018 Montioring Round, up from 68 in the 2016 exercise), private sector stakeholders' views on trust remain steady (71).[27] An example of PPD that is considered a success, from Bangladesh, is presented in Box 3.3.

Box 3.3. Public-private dialogue in Bangladesh: The story of BUILD

Public-private dialogue can take a variety of forms, with the specific mechanism adapted and evolving in response to context-specific needs. The Business Initiative Leading Development (BUILD), initiated by the private sector in Bangladesh, is an instance of good practice that showcases a successful platform for dialogue.

Three chambers of commerce in Bangladesh established BUILD in 2011 as an institutionalised framework for facilitating structured dialogue between the public and private sectors.

Through BUILD, the private sector is able to act collectively and speak in one voice to ensure that hurdles to private sector development are addressed and that private sector-led growth contributes to Bangladesh's development. BUILD has become a trusted government partner, working closely with the Prime Minister's Office to promote private sector development, investment and job creation.

The BUILD platform brings together public and private sector stakeholders to identify recommendations for policy reforms, based on research and analysis on opportunities for and challenges to private sector contribution to development. Among other outcomes, BUILD has identified more than 250 quick-win policy reforms; the government has approved more than half of these. Further, the involvement of development partners in BUILD has led to expansion of the BUILD agenda to include environmental and social issues such as disaster risk management and social development.

Reporting in the 2018 Global Partnership Monitoring Round appears to reflect the impact of BUILD and similar efforts. Both public and private stakeholders in Bangladesh report some of the highest overall results of the 2018 exercise in terms of the level of mutual trust: 94 points versus the participating country average of 71 and the least developed country average of 72. Bangladesh – the government together with private sector stakeholders – also reports above-average results in terms of public-private dialogue that leads to joint action.

Sources: BUILD (n.d.[34]), "Our mission and vision", www.buildbd.org; GPEDC (2018[35]), *Private Sector Engagement Through Development Co-operation in Bangladesh*, www.oecd.org/dac/effectiveness/Bangladesh_Country_Report_FINAL.pdf.

[27]. The element of trust allows for comparability over time, given that both the 2016 and the 2018 Monitoring Rounds assessed trust. For the remaining elements, results from the 2018 Monitoring Round will establish a baseline. The scores for trust presented in this sentence refer to the countries that participated in both the 2016 and 2018 Monitoring Rounds.

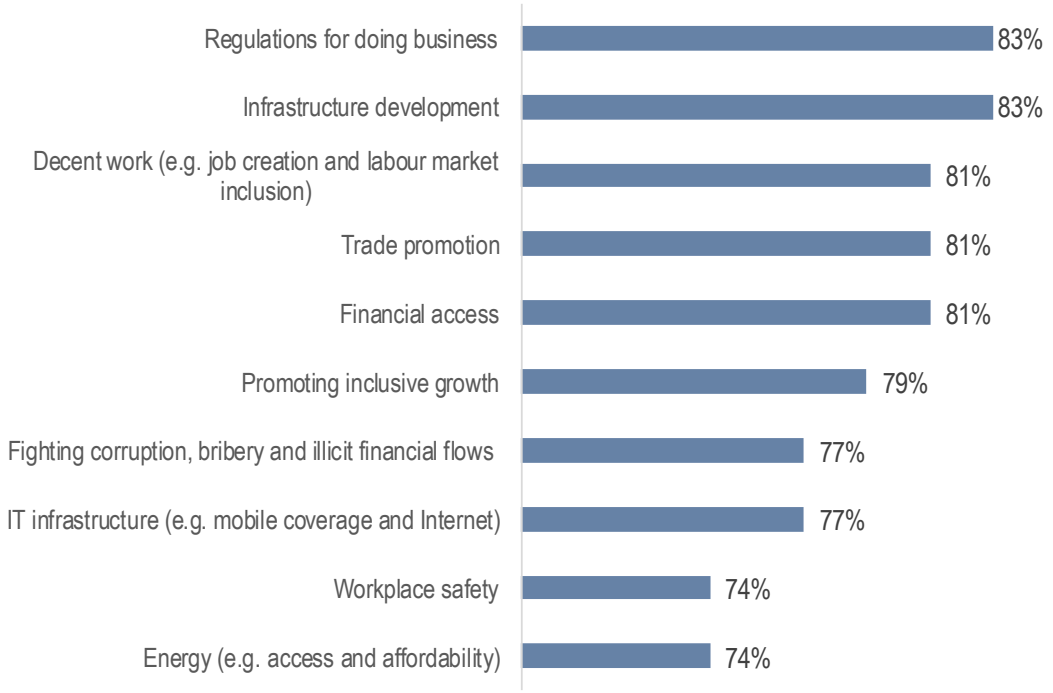
Financial and technical resources are needed to address capacity constraints that limit participation in PPD. Overall, all stakeholders from participating partner countries report capacity concerns regarding PPD. Of all the elements constituting effective PPD, readiness (i.e. capacity) to engage scored the lowest among all stakeholders. These concerns are more pronounced in least developed countries (LDCs). A notable exception is in LDCs in which SMEs account for the majority of private sector jobs (International Labour Organization, 2018[36]); in these countries, SMEs report higher levels of readiness to engage (see also Box 3.4). The most frequently reported areas that require further attention in order to increase stakeholders' readiness and ability to engage with one another are governments' internal co-ordination and access to financial and technical resources for both public and private stakeholders. For the private sector, such resources are required to strengthen capacity to co-ordinate and assess the collective needs and views of the sector as a whole. For governments, such resources are required to strengthen capacity to analyse and formulate policy proposals and communicate effectively with relevant stakeholders in PPD (Bettcher, Herzberg and Nadgrodkiewicz, 2015[37]).

Partner country governments can improve public-private dialogue by engaging the full range of private sector actors, including in setting the agenda for dialogue

Ensuring that PPD focuses on issues relevant to all stakeholders remains a challenge. Good-quality PPD addresses concerns of both public and private stakeholders. It also is inclusive, enabling the participation of all types of actors, of all sizes. According to analysis of PPD during the three years leading up to data collection for the 2018 monitoring exercise, topics covered in such dialogue included a broad range of issues that are relevant to achieving the SDGs. From this, the top two issues addressed in PPD were regulations for doing business and infrastructure development (Figure 3.11). Reporting in the 2018 Monitoring Round indicates that, on average, governments (score of 66) have a more favourable view of the relevance of topics currently addressed by PPD than do private sector stakeholders (score of 54), with the least favourable view of PPD relevance reported by SMEs (score of 51).

Figure 3.11. Top ten topics addressed in public-private dialogue

Topics relevant to the SDGs most frequently covered by PPD in partner countries



Source: Figure draws on assessment of the quality of public-private dialogue (Indicator 3). Further information is available in GPEDC (2018, pp. 68-73[7]), *2018 Global Partnership Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

The views of government and private sector stakeholders regarding PPD relevance diverge most sharply in LDCs and extremely fragile contexts. Private sector stakeholders in LDCs and very fragile contexts rated PPD relevance, on average, at 52 and 41, respectively. The contrast with government views in the same contexts is significant. LDC governments scored PPD relevance at 68 and governments of extremely fragile contexts at 67. This may be due to severe resource constraints on the side of the partner country governments coupled with possible political divides. As surfaced in the findings from the 2016 Monitoring Round, this gap is concerning because dialogue around issues of common interest and mutual benefit can play an important role in enabling public and private stakeholders to co-operate beyond political divides and vested interests (OECD/UNDP, 2016[38]).

Governments and development partners need to make a concerted effort for PPD to include the full range of private sector actors. The biggest difference in the views of public and private stakeholders on PPD relates to inclusiveness. The 2018 Monitoring Round shows consistent concern in this regard among private sector stakeholders, regardless of size. They score PPD inclusiveness at 55 on average, against a score of 69 from governments. Overall, this is in line with reporting by private sector stakeholders that they have limited capacity to engage in PPD and consider it of limited relevance to their concerns. Given that partner country governments often take the lead role in organising PPD, the 2018 monitoring data suggest that governments need to redouble efforts to include the full diversity of private sector stakeholders in dialogue and that development partners should help to ensure governments have the capacity and resources to do so. Box 3.4 discusses the importance of engaging SMEs in particular.

When the foundations for high-quality public-private dialogue are in place, dialogue is geared towards results and leads to joint action

Despite challenges, public and private stakeholders are optimistic that PPD can lead to increased collaboration, joint action and concrete results. Participants' long-term commitment to PPD likely depends on whether arrangements are institutionalised and organised towards achieving concrete results and whether dialogue leads to increased collaboration. Global Partnership data from the 2018 Monitoring Round show that governments and private sector stakeholders generally agree that the extent to which PPD is geared towards results and leads to joint action is relatively high; most respondents, across all stakeholder groups, rated these as among the most positive of all assessed dialogue elements. This shows that despite challenges in implementing PPD – in particular, building capacity to engage, involving the full range of private sector stakeholders in agenda setting and ensuring that these stakeholders participate in the dialogue –when PPD does take place, it is delivering enhanced public-private collaboration. Such collaboration is a critical prerequisite for maximising the private sector's contribution to development.

Box 3.4. Small and medium-sized enterprise engagement is essential to inclusive public-private dialgoue and to leaving no one behind

Small and medium-sized enterprises (SMEs) play a critical role in the economies of partner countries and frequently represent the biggest share of the country's private sector. In rural and underserved areas, SMEs often are the only source of employment,[1] particularly for vulnerable segments of the population such as women and youth. In these areas, SMEs also contribute significantly to service delivery in health, education, sanitation and energy, filling gaps in public sector reach. In this way, SMEs are contributing to efforts to ensure no one is left behind. In 2017, in recognition of their role, the UN General Assembly designated an "International Day" for SMEs.[2]

Research, however, has found that SMEs face substantial challenges in accessing both public-private dialogues (PPDs) (Bettcher, Herzberg and Nadgrodkiewicz, 2015[37]) and concrete partnership opportunities (Boehler et al., 2018[39]). The 2018 Global Partnership monitoring results support these findings, showing limited opportunities for SMEs to influence and engage meaningfully in PPD. Among all the stakeholders reporting, including all private sector stakeholders, SMEs expressed the least positive overall view of the quality of PPD.

The results are less stark in least developed countries (LDCs), where SMEs report a more positive view of PPD than SMEs in other country contexts. These more positive SME views particularly relate capacity to engage in PPD, the inclusiveness of the dialogue and the extent to which dialogue is geared towards achieving results.

This finding may reflect the fact that SMEs make up a larger proportion of the private sector in LDCs, and therefore play a more substantial role than do SMEs in other contexts. As such, SMEs may be better positioned in LDCs to discuss topics relevant to them, effect change and shape a conducive policy environment through their participation in PPD initiatives.

Notes: 1. The World Bank website elaborates the importance of SMEs to developing country economies at: https://www.worldbank.org/en/topic/smefinance. 2. See: https://www.un.org/en/events/smallbusinessday.

To harness the full potential of PPD to contribute to sustainable development, partner country governments can engage the private sector beyond the mechanism of PPD. Even when delivering joint action and concrete results, PPD is only a means to an end, rather than the end in itself. A Global Partnership workstream is currently looking at ways to use development co-operation to scale-up effective country-level partnerships with the private sector. While international development co-operation does not yet feature among the main topics of PPD in partner countries, the Global Partnership is working in this policy space where it is facilitating in-country and international multi-stakeholder dialogues and inclusive consultations. The aim is to enhance the effective use of public resources to engage the private sector through development co-operation, to spur progress toward leaving no one behind and achieving the SDGs (Box 3.5).

Box 3.5. Principles and guidelines for effective private sector engagement through development co-operation

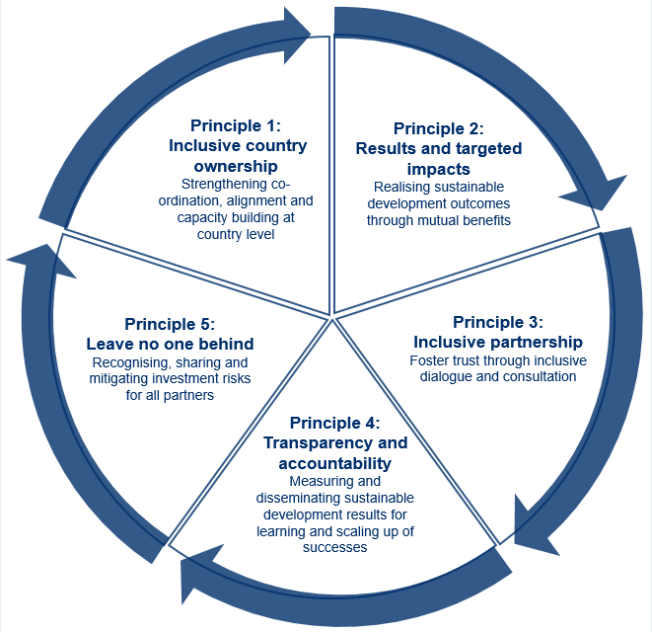
The Global Partnership 2016 Nairobi Outcome Document called for "unleashing the potential of development co-operation to attract inclusive private investment [by setting] clear effectiveness commitments as the development community engages in partnerships between governments, civil society and the business sector". The Global Partnership answered that call and developed a set of principles and guidelines to ensure the effectiveness of private sector engagement through development co-operation at the project, programme and policy levels.

These principles were informed by evidence from case study countries, inclusive dialogue at national and global levels, and a Global Partnership Business Leaders Caucus. In 2018, the Global Partnership undertook a systematic review across four countries (Bangladesh, Egypt, El Salvador and Uganda) of more than 900 development co-operation projects that directly engage the private sector, ranging from multinational enterprises and large domestic firms to micro, small and medium-sized enterprises. Among the findings of this exercise was that only 13% of these projects listed national governments as partners and only 4% explicitly focused on the poor. In addition, only 16% of the projects reviewed results, with many private partners criticising what they perceived as burdensome development partner procedures.

Analysis of the projects and related multi-stakeholder consultations concluded that the development co-operation community can do much more to improve the implementation of private sector partnerships on the ground, including by focusing more on sustainable results, impact and accountability. These conclusions underscored the crucial and cross-cutting role that public-private dialogue can play in this regard – a finding echoed in the 2018 Global Partnership Monitoring Round. Public-private dialogue is a means to strengthen mutual trust and country ownership of private sector engagement and bolster the effectiveness and inclusivity of this engagement. Stakeholders across sectors agree on the importance of establishing structured spaces for dialogue to inform private sector engagement priorities, identify solutions to shared challenges, establish relationships, build mutual trust, and generate partnerships and joint action.

The Global Partnership's five principles for effective private sector engagement, illustrated in Figure 3.12 reflect these analyses.

Figure 3.12. Princples for effective private sector engagement through development co-operation



Source: (GPEDC, 2019[40]) *Effective Private Sector Engagement through Development Co-operation for Sustainable Development: Towards Principles and Guidelines*, https://effectivecooperation.org/wp-content/uploads/2019/01/SCM17-Private-Sector-Engagement-Principles.pdf

Once the principles are launched at the 2019 Senior-Level Meeting of the Global Partnership, work will begin to bring together partner country governments, local and international private sector stakeholders, development partners, and civil society to apply and operationalise the principles at country level.

4. Mutual accountability mechanisms are adapting to an evolving development landscape

The 2030 Agenda for Sustainable Development recognises that countries have primary responsibility for planning and implementing national development efforts and for engaging the broadest set of domestic stakeholders in this development planning and implementation (UN, 2015[3]). At the same time, to achieve the Sustainable Development Goals (SDGs) by 2030, it is estimated that trillions in additional investment and finance in partner countries will need to be mobilised each year (UN, 2018[41]). International development co-operation therefore continues to play an important role in many partner countries.

In this context, the concept of mutual accountability in development co-operation refers to development stakeholders, under government leadership, holding each other accountable for agreed commitments. Accountability in development co-operation – between governments and diverse development partners as well as towards citizens, civil society and other development stakeholders – is vital to ensuring efficiency and effectiveness in development activities and thereby maximising impact (OECD, 2011[4]).

The key findings of this chapter are:

- Partner countries are starting to adapt their mutual accountability mechanisms to respond to the 2030 Agenda and an increasingly diverse development landscape. Policy frameworks for development co-operation are becoming more inclusive by setting out roles and responsibilities for more diverse development partners. Likewise, mutual assessments to track progress towards effective development co-operation are becoming more inclusive and are informing SDG reporting on national progress, including voluntary national reviews.
- However, the proportion of partner countries with policy frameworks for development co-operation remains stable, and fewer governments are setting specific country-level targets for effective development co-operation. While targets continue to be set for most traditional partners (OECD Development Assistance Committee [DAC]) and multilateral partners, they generally are not set for other development partners, reflecting a lack of clarity on specific commitments or targets for effective development co-operation with these diverse actors.
- A shift in mutual accountability is taking place. Country contexts that rely heavily on official development assistance (ODA) tend to have quality mutual accountability mechanisms in place for development co-operation, while partner countries that are less dependent on ODA move to other, more holistic accountability structures. This shift also has important implications for the Global Partnership's future monitoring efforts.

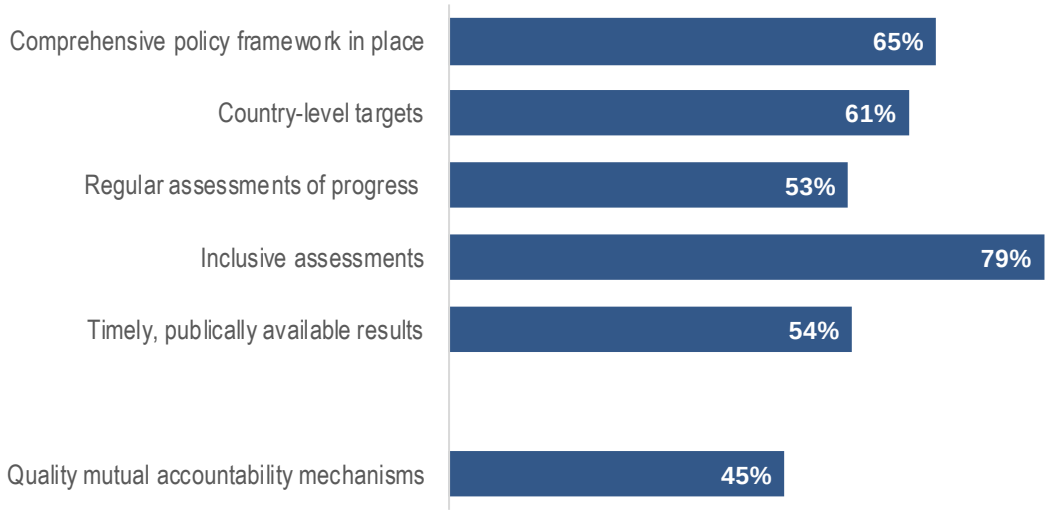
Partner countries are rethinking how to best ensure mutual accountability amid shifts in the development co-operation landscape

Fewer than half of the countries participating in the 2018 Monitoring Round have quality mutual accountability mechanisms in place. Global Partnership monitoring assesses the quality of mutual accountability mechanisms across five reinforcing components that contribute to strong mutual accountability at country level (Box 4.1). Of the 83 partner countries that reported on this aspect of Global Partnership monitoring, only 45% have at least four of the five components of mutual accountability in place at country level (Figure 4.1). A higher proportion of partner countries had quality mutual accountability mechanisms in place in the 2018 monitoring exercise than in the 2016 round.[28] However, as Figure 4.1 shows, implementation varies considerably according to the component, with for example a relatively large share of partner countries (79%) conducting inclusive assessments of effective development co-operation targets but a much smaller proportion (53%) conducting regular assessments.

Mutual accountability is evolving with the changing development co-operation landscape. The ambition of the 2030 Agenda has ignited a shift from a whole-of-government to a whole-of-society approach to development. Partner country governments are leading development efforts, complemented by support from an increasingly diverse set of development partners. With a wider variety of development financing also available and a wider range of stakeholders engaged in development activities, many partner countries are rethinking and adapting traditional mutual accountability mechanisms to be more inclusive.

[28]. The methodology for assessing mutual accountability was revised for the 2018 Monitoring Round. The change strengthened the requirements for meeting two of the components: having a policy framework in place and assessing progress against targets. When the methodology of the 2016 Monitoring Round is applied to data from the 2018 round, the proportion of partner countries with quality mutual accountability mechanisms in place increases from 47% in 2016 to 57% in 2018. The methodology of the 2018 Monitoring Round, which finds that 45% of partner countries have quality mutual accountability mechanisms, will serve as a baseline for future monitoring rounds.

Figure 4.1. Proportion of partner country governments with quality mutual accountability mechanisms in place and by component



Note: A partner country is considered to have quality mutual accountability mechanisms in place (the bottom bar) when at least four of five components (the top five bars) are met.
Source: Figure draws on assessment of the quality of mutual accountability mechanisms (Indicator 7) and whether each component is met. Further information is available in GPEDC (2018, pp. 38-40[7]), *2018 Global Partnership Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

Box 4.1. Assessing mutual accountability at country level

Mutual accountability underpins the efforts of development actors to meet joint commitments, improve how they work together and increase their development effectiveness. Mutual accountability mechanisms are made up of multiple, reinforcing components that can help to enhance transparency and accountability at country level. Global Partnership monitoring defines and assesses mutual accountability against five components. A country is considered to have quality mutual accountability mechanisms in place if it meets four of these five components:

1. **Is a policy framework for development co-operation in place?**
   A common policy framework enables effective development co-operation and improves development results by reducing risk of fragmentation and/or duplication of efforts. It identifies the vision and objectives for development co-operation in a country, the roles and responsibilities of different actors, and the different mechanisms that will be used to support mutual accountability. These often take the form of a policy framework for development co-operation, such as a national development co-operation policy, but also may be embedded in a national development strategy.
2. **Are there country-level targets for effective development co-operation**?
   Targets are critical to track each stakeholder's progress in implementing effective development co-operation commitments. Clear, specific, measurable and time-bound targets help to operationalise the roles and

responsibilities of development stakeholders as defined in the policy framework. Target setting also creates incentive for strategic dialogue, partnership and co-operation among all stakeholders.

3. **Are country-level targets assessed regularly (or are there regular assessments of progress)?**
   Monitoring progress towards targets holds stakeholders accountable for their commitments and helps to identify ways to boost progress. Regular assessments, held in the past two years as part of the national development planning and co-ordination processes, are critical to track progress on country-level targets for effective development co-operation.
4. **Are assessments of country-level targets inclusive?**
   Space for multi-stakeholder dialogue incentivises synergies among development stakeholders as well as knowledge sharing and peer learning to inform action towards improved co-operation. Assessments are considered inclusive, "mutual" or "joint" if the government involves a range of development partners to track progress towards targets for effective development co-operation.
5. **Are assessments of country-level targets transparent?**
   Transparency is a precondition for building trust and meaningful accountability. The results of mutual accountability assessments that track progress towards country-level targets should be made public in a timely manner to ensure transparency. Sharing information publicly also generates domestic pressure for continuous improvements.

Source: GPEDC (2018[7]), *2018 Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

The proportion of partner country governments with policy frameworks for development co-operation in place remains stable, but governments are including and defining the roles and responsibilities of diverse development partners. In the 2018 Global Partnership Monitoring Round, 65% of partner countries had a comprehensive policy framework for development co-operation in place; a similar proportion had policy frameworks in place in 2016.[29] Where a policy framework has been established, it recognises the roles and responsibilities of a broad range of stakeholders (Figure 4.2). This reinforces the findings of the UN Development Cooperation Forum (DCF) 2018 survey on mutual accountability (see Box 4.4). A majority of policy frameworks (86%) set out the roles and responsibilities of traditional partners (DAC members and multilateral development partners). Reflecting the more diverse development stakeholder and finance landscape, many policy frameworks also recognise the distinct roles played by Southern providers (51%), civil society organisations (52%), the private sector (54%), parliamentarians (43%), local governments (45%), foundations (23%) and trade unions (25%).

[29]. The methodology for assessing this component was revised for the 2018 Monitoring Round. When the 2016 methodology is applied to 2018 data, the results show that the proportion of partner countries with a policy framework for development co-operation in place has remained relatively stable, at 83% in 2016 and 80% in 2018. The methodology of the 2018 Monitoring Round will serve as a baseline for future monitoring rounds (65%).

Fewer partner country governments are setting targets for effective development co-operation for the diverse partners recognised in their policy frameworks. Close to two-thirds of partner countries (61%)[30] have established targets for both the government and their development partners on effective development co-operation. This represents a decline over 2016, when 77% of partner countries had such targets in place. When disaggregated by partner, the data show that targets for effective development co-operation typically are in place for traditional partners (DAC members and multilateral development partners) in 86% of partner countries. As Figure 4.2 illustrates, a far smaller proportion of partner country governments set such targets for other development partners: just 44% set targets for civil society organisations, 38% for Southern partners, 38% for the private sector, 22% for foundations and 7% for other actors such as academia. In sum, diverse actors often are included in development co-operation policy frameworks (and in mutual assessments), but seldom have specific targets for effective development co-operation. This reflects a lack of clarity about such targets, and associated commitments with these actors.

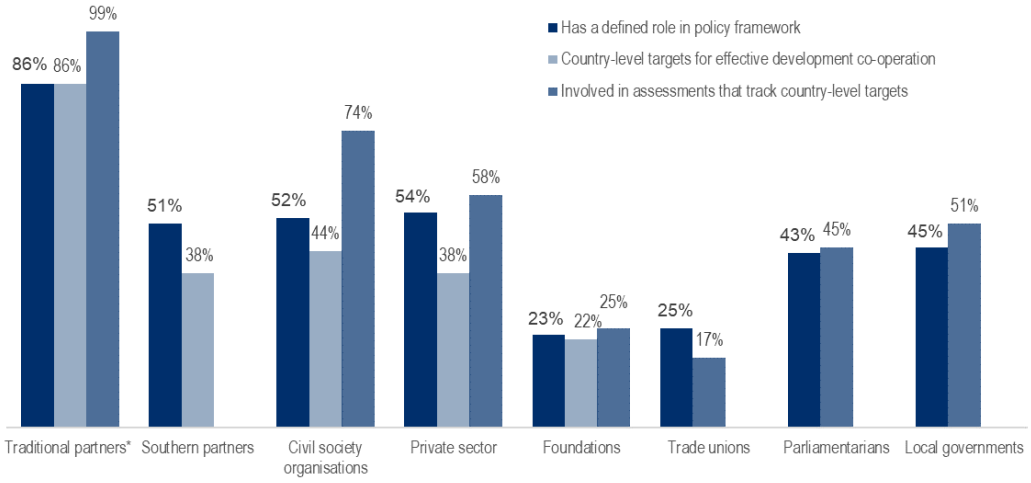
Mutual assessments also are becoming more inclusive of a broader range of partners and, encouragingly, are informing SDG reporting. Most (87%) of the 83 partner country governments that reported on mutual accountability in the 2018 Monitoring Round carry out mutual assessments for effective development co-operation in some form. Of these, almost one-third (30%) have embedded mutual assessments in the government's regular development planning and monitoring processes; 23% have not embedded these assessments in national processes but nevertheless conduct them regularly; and 34% conduct mutual assessments only on an ad hoc basis. As is the case with development co-operation policy frameworks, the mutual assessments that are conducted are inclusive and involve an increasingly broad range of stakeholders. Of the partner countries that carry out assessments, 79% include diverse development actors (disaggregated by partner in Figure 4.2). This is an increase over the 2016 Monitoring Round, in which only 68% of countries carrying out mutual assessments also included diverse development actors. These mutual assessments of targets for effective development co-operation contribute to domestic reporting on SDGs in 67% of partner countries. In addition, around half of partner countries use the assessments to inform voluntary national reviews.

Partner country governments are increasingly making the results of mutual assessments publicly available. In 54% of partner countries, governments provide timely, publicly available results of mutual assessments. A comparison of the countries that reported in both the 2018 and 2016 Monitoring Rounds shows that a higher proportion – 67% in the 2018 exercise versus 58% in the 2016 exercise – are making the joint assessment results publicly available within one year. To assist with the management of development co-operation data and the tracking of mutual assessments, many partner countries have established dedicated information management systems (Box 4.2).

[30]. An additional 27% of partner countries have targets in place for the government alone. In total, 88% of partner countries have targets for either development partners, the government or both.

Figure 4.2. Mutual accountability mechanisms are increasingly inclusive

Proportion of partner countries that include diverse development actors in policy frameworks for development co-operation, country-level targets and mutual assessments



Note: The term "traditional partners" refers to DAC members and multilateral partners.
Source: Figure draws on assessment of the quality of mutual accountability mechanisms (Indicator 7) and whether each component is met. Further information is available in GPEDC (2018, pp. 38-40[7]), *2018 Global Partnership Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

Box 4.2. Partner countries' information systems track development co-operation

Partner countries are focused on increasing the transparency of development co-operation data. Information systems, or information management systems, that ensure access to high-quality and timely information on development co-operation help governments to plan and manage resources for development results. Having these systems also helps to increase transparency and oversight of development co-operation. The 2018 monitoring results show that having an aid management systems in place helps to increase the share of development co-operation recorded in national budgets. These systems can also guide development partners in co-ordinating their support with other providers to avoid fragmentation and/or duplication of efforts. Relevant and up-to-date data inform mutual assessments and are essential for accountability. Transparent information is critical to track progress and enhancing accountability and can be used to inform regular assessments that track country-level targets for effective development co-operation and link resources to results.

Almost all partner countries (96%) report that they have one or more information management system in place to collect information on development co-operation at country level. Out of these countries, 88% have financial management information systems and/or aid information management systems in place while the remaining 8% only have an Excel-based system or

other type of systems. Most of these systems (80%) collect information on development partner financial commitments, scheduled disbursements and actual disbursements. Not as many of these systems (60% or less) include information on final expenditures and intended and achieved results. In terms of flows, these systems collect information on grants, concessional and non-concessional loans from official public sources such as multilateral development banks, and technical co-operation. The purpose of these systems is to provide access to relevant, timely and accurate information on development co-operation. Clearly, however, this is only possible to the extent that these systems contain relevant, up-to-date information.

On average, 83% of development partners in country report to the country's information management systems. However, consistency and quality of reporting is lacking (UNDP, 2018[42]). Reporting may be constrained by operational challenges or limitations in providing the relevant information. While significant investments have been made to develop and operationalise these information management systems, there are persistant challenges to maximising their potential to function as useful and practical systems. Overall, challenges aside, weak development partner reporting of relevant development co-operation data to these systems affects the ability of information management systems to link resources to results and thus to inform decision making.

Source: Based on assessment of the transparency of information on development co-operation (complementary information to Indicator 4). Further information is available in GPEDC (2018, pp. 74-78[7]), *2018 Global Partnership Monitoring Guide for National Co-ordinators*, http://effectivecooperation.org/pdf/2018_Monitoring_Guide_National_Coordinator.pdf.

Country contexts that rely heavily on ODA tend to have quality mutual accountability mechanisms in place. Countries with a high ODA dependency (relative to gross domestic product) are significantly more likely to have quality mutual accountability mechanisms in place.[31] These countries continue to develop policy frameworks for development co-operation and undertake mutual assessments, all in an increasingly inclusive and transparent way. The quality of mutual accountability mechanisms and the degree to which the five components are met vary by country context (Box 4.3).

Box 4.3. Mutual accountability mechanisms vary by country context

Least developed countries (LDCs) are leading the way on inclusive assessments of effective development co-operation targets. More than half (52%) of the 42 LDCs that reported on mutual accountability in the 2018 Monitoring Round have quality mutual accountability mechanisms in place. This is the case in a much smaller proportion (37%) of non-LDC countries. More specifically, a significant percentage (84%) of mutual assessments of effective development co-operation targets undertaken by LDCs are conducted in an inclusive manner. Assessments conducted by LDCs also are typically more transparent: a higher proportion of LDCs than

[31]. Quality mutual accountability mechanisms are in place in 50% of partner countries with an ODA/GDP ratio of at least 4% and in only 31% of partner countries with an ODA rate of less than 1.5%.

non-LDCs (63% and 42%, respectively) publish results in a timely manner. However, a lower proportion of LDCs (61% versus 74% of non-LDCs) use assessment results for domestic reporting on the SDGs.

Extremely fragile contexts[1] are less likely to have a policy framework for development co-operation in place, although their mutual accountability mechanisms are typically inclusive and transparent. Fewer contexts considered by the OECD (2018[13]) to be extremely fragile (45%) have such a policy framework in place, versus 68% of other fragile and non-fragile contexts combined. However, of the extremely fragile contexts that have a policy framework in place, 90% include relevant development actors in mutual assessments, compared to 77% of other fragile and non-fragile contexts. Similarly, a higher proportion of extremely fragile contexts (70% versus 51%) make the results of these assessments publicly available. Many development partners that were engaged in reporting on the 2018 Monitoring Round in extremely fragile contexts reported that while these assessments exist, their effectiveness is limited due to country context.

Upper middle-income countries (UMICs) are moving away from using mutual accountability mechanisms. Of the 21 UMICs that reported on mutual accountability in the 2018 Monitoring Round, 19% have quality mutual accountability mechanisms in place. Most UMICs (71%) undertake assessments of country-level targets for effective development co-operation. However, in 43% of UMICs, these assessments are carried out on an ad hoc basis. This may be due to their decreasing reliance on official development assistance, which lessens the incentive to undertake regular mutual assessments and/or embed them in national development planning processes.

1. As previously noted, 45 of the 58 contexts in the 2018 OECD fragility framework are partner countries that participated in the 2018 Global Partnership Monitoring Round; 12 of these are considered extremely fragile and 33 are considered “other fragile”.

It is evident that a shift is underway in mutual accountability. Results of the 2018 Monitoring Round highlight the continued use of traditional mutual accountability structures by partner countries for which ODA remains important. At the same time, other country contexts are moving away from these traditional mutual accountability structures. This shift may reflect their orientation towards more diverse, innovative financing with a plurality of partners. These contexts are likely to be considering integrated financing frameworks that bring together the full range of financing sources and non-financial means of implementation available as part of a strategy to raise resources, manage risks and achieve sustainable development priorities (UN, 2019[18]). It is essential to embed the effectiveness principles, including mutual accountability, in these new frameworks so that the experience of effective partnering and its lessons, built up over more than a decade, can benefit the broader co-ordination structures that are taking shape.

Co-ordination structures are evolving and have implications for the Global Partnership monitoring process. Partner co-ordination mechanisms, which often are delineated in policy frameworks for development co-operation, have been a key component of a country’s overall co-operation architecture. Many countries have established such mechanisms to bring together stakeholders at the political and technical levels and at the

sector level. Centralised aid units, often housed within the ministry responsible for oversight of development co-operation, have been the traditional channel between governments and their development partners, and responsible for establishing and maintaining co-ordination mechanisms. In response to the 2030 Agenda and the evolving development landscape, government institutions now are changing the way they organise themselves to manage development co-operation, including their co-ordination mechanisms and structures. These structural shifts take time, but have already impacted the way the 2018 Global Partnership Monitoring Round was undertaken at the country level. As a result, the institutional changes likely contributed to the increased demand for support in conducting the 2018 monitoring exercise. They merit attention from the Global Partnership community ahead of its next monitoring round.

Box 4.4. Results of the Development Cooperation Forum survey on mutual accountability

Global Partnership monitoring and the Development Cooperation Forum (DCF) surveys on mutual accountability provide complementary and reinforcing findings on mutual accountability in development co-operation. While findings from the DCF survey are made available at aggregate level, the Global Partnership monitoring exercise allows partner countries that participated in the most recent DCF survey to disclose their responses to it, thereby minimising reporting efforts while adding granularity to the information and analyses. Partner countries that did not participate in the DCF survey have the opportunity to describe the current status of their mutual accountability through the Global Partnership monitoring exercise.

The 5th DCF survey in 2018 found that 67% of responding countries (39 of 58) had a national development co-operation policy or similar policy in place. In line with results from the 2018 Global Partnership Monitoring Round, the 2018 DCF survey found, among other things:

- National development co-operation policies cover a broad range of assistance beyond official development assistance, including technical co-operation, capacity building, South-South and triangular co-operation, domestic resource mobilisation, and, to a lesser extent, private and blended finance for sustainable development.
- Capacity support for monitoring and evaluation systems is needed to track traditional, South-South and private sector efforts for development co-operation.
- National development co-operation policies are inclusively designed. However, there is a need to move from a whole-of-government to a whole-of-society approach, including increased participation in co-ordination mechanisms of private sector and community-based organisations at subnational level.
- While most partner countries have frameworks to track development co-operation, only 38% of countries reported that the tracking of targets improved alignment of partners' activities with national and sectoral priorities.

Source: UN (2018[43]), "DCF 5th Global Accountability Survey: FAQ", https://www.un.org/ecosoc/sites/www.un.org.ecosoc/files/files/en/dcf/UNDESA_2018%20DCF%20Study%20on%20mutual%20accountability.pdf.

Annex A.

The Global Partnership monitoring exercise tracks country-level progress in implementing the four internationally agreed effective development co-operation principles: 1) country ownership; 2) a focus on results; 3) inclusive partnerships; and 4) transparency and mutual accountability to one another. The biennial exercise reports on a monitoring framework that consists of ten indicators that focus on strengthening developing countries' systems; increasing the transparency and predictability of development co-operation; enhancing gender equality; and supporting greater involvement of civil society, parliaments and the private sector in development efforts. These ten indicators, and how they inform different chapters of Progress Report, are listed in Table A.1.

Table A.1. Global Partnership indicators and where to find analysis on indicator results in the 2019 Progress Report

Part I: How partner countries are promoting effective partnerships

Chapter 2: Partner country government leadership has advanced national development aspirations

- Quality of national development strategies and results frameworks (**Indicator 1b**).
- The country strengthens its public financial management systems (**Indicator 9a**).
- Development co-operation is included in budgets subject to parliamentary oversight (**Indicator 6**).
- The country has systems to track and make public allocations for gender equality and women's empowerment (**Indicator 8, SDG 5.c**).

Chapter 3: Partner country governments can enable more meaningful engagement to maximise a whole-of-society approach

- Creates an enabling environment for civil society organisations (**Indicator 2**).
- Quality of public-private dialogue (**Indicator 3**).

Chapter 4: Mutual accountability mechanisms are adapting to an evolving development landscape

- Quality of mutual accountability mechanisms (**Indicator 7**).
- Transparent information on development co-operation is reported at country level (**Indicator 4**).

Part II: How development partners are promoting effective, country-led partnerships

Chapter 2: Walking the talk: development partners are not fully facilitating country leadership over development efforts

- Development partners use national development strategies and results frameworks (**Indicator 1a, SDG 17.15**).
- Annual predictability of development co-operation (**Indicator 5a**).
- Medium-term predictability of development co-operation (**Indicator 5b**).
- Development co-operation is included in budgets subject to parliamentary oversight (**Indicator 6**).
- Development partners use public financial management systems (**Indicator 9b**).

- Aid is untied (**Indicator 10**).

Chapter 3: Development partners are taking steps to reinforce a whole-of-society approach to development

- Create an enabling environment for civil society organisations (**Indicator 2**).

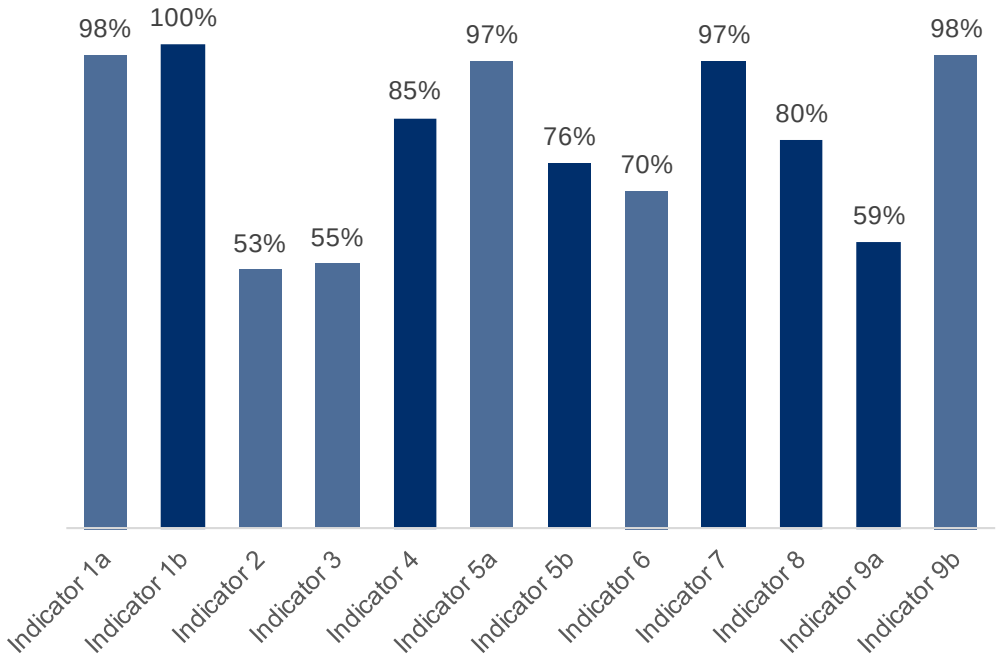
Chapter 4: Development partners are strengthening transparency of development co-operation information as an important step to enhanced accountability

- Transparent information on development co-operation is reported at global level (**Indicator 4**).
- Development partners' perspective on mutual accountability mechanisms at country level (**Indicator 7**).

With regards to the response rates to each of the ten Global Partnership indicators, not all countries responded to or provided data on each aspect covered by the monitoring exercise. A total of 86 partner countries participated in the 2018 Monitoring Round, but the proportion of participating partner coutnries that responded varies across the ten indicators. Figure A.1 presents an overview of the response rates on each indicator.

Figure A.1.Coverage of the country-level indicators in the 2018 Monitoring Round

Proportion of participating countries that reported on country-level indicators



Notes: The dark blue bars refer to indicators that are reported directly by the participating country. Light blue bars refer to indicators reported by the participating country with inputs from and/or in consultation with development partners and domestic stakeholders. Indicator 4 above refers to the country-level transparency assessment. Indicator 4 (global-level transparency) and Indicator 10 are not included in the figure because they are not collected at country-level.

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