



**Global
Partnership**
for Effective Development
Co-operation

REBUILDING TRUST THROUGH EFFECTIVE DEVELOPMENT CO-OPERATION

DECEMBER 2022

AS THE WORLD CHANGES, “HOW” WE DO DEVELOPMENT MATTERS MORE THAN EVER

The climate crisis, the pandemic, economic shocks and conflict are undermining progress across the Sustainable Development Goals (SDGs), which the global community agreed to achieve by 2030. Years and sometimes decades of progress are being lost and the poorest and most vulnerable are being disproportionately affected.

Our approach to development cannot remain the same when the world around us is constantly changing and interconnected challenges are impacting us all.

In 2021, official development assistance (ODA) rose to an all-time high of US\$178.9 billion (OECD). But at the same time, the pandemic exposed and intensified inequality. Consequently, the annual financing gap for the SDGs widened, primarily in the countries already furthest behind on the 2030 Agenda. The annual SDG financing gap in developing countries is estimated to have increased by 56%, to USD 3.9 trillion in 2020 (OECD).

The emerging financing divide is curtailing the ability of many developing countries to respond to shocks and invest in recovery. The poorest countries, many of which are at risk of debt distress and whose fiscal space is shrinking, are forced to cut spending in areas such as education and infrastructure, which in turn has compromised sustainable development efforts. In these contexts, ODA has proven to be a resilient, reliable source of financial support for tackling the most pressing needs during crises.

So what is the solution? What is the best way to engage in development co-operation to rebuild trust and make the best use of limited resources? The compass for guiding development action needs to be partnering, based on the four effectiveness principles: country ownership, the participation of all stakeholders, transparency and accountability, and a focus on results. Effective partnerships also help leverage local, national and global resources to achieve impact quickly and sustainably.

The 2022 Effective Development Co-operation Summit in Geneva will bring together key global decision-makers—including governments, CSOs, philanthropists and businesses—for exactly these purposes. We will focus ministers' and CEOs' attention on the country-level action needed to mobilize the broad array of international and local development partners and engage civil society and the private sector. Through the EDC Summit, we are calling on the development community to transform the way we work by striving to implement the effectiveness principles more effectively.

How do we monitor our progress towards this goal? Monitoring these efforts is critical because it makes accountability meaningful and supports behaviour change towards more effective co-operation. As co-chairs of the Global Partnership, we have committed to a new way of monitoring these principles, which will be launched at the EDC Summit. But more effective development co-operation also requires commitment from governments to assert leadership and convene development actors, civil society and the private sector to take part in round-tables—which we call Action Dialogues—when important issues relating to sustainable development are at stake.

It all boils down to trust—and working together to build that trust. Each country has its own way of working and its own vision of what is needed and how to achieve that. Civil society, trade unions, businesses and experts all have specific views and ambitions. They all need to be part of the process. This is what the Global Partnership is all about. We know that to achieve better outcomes, recognition and respect for diversity are fundamental. The best way to achieve our shared objectives is to design new, bespoke approaches and forge a path towards them together.

We have a shared agenda for 2030 and we are halfway to achieving these goals. No one foresaw the headwinds we would face on this journey. Collective action has never been more important—nor has the interrelated nature of our efforts ever been more apparent. We need to heed the lessons of the global pandemic to remind ourselves that we are all on this journey together.

For the world to be better prepared for future crises, we need to embrace country-led partnerships that seek to achieve inclusive, transparent, results-focused development that is based on trust and mutual benefit. We want these principles to be more than words—much more.

HE Mr. Christian Mwando Nsimba
Minister of Planning (Democratic Republic of Congo)

HE Mr. AHM Mustafa Kamal
Minister of Finance, Government of the People's Republic of Bangladesh

HE Mr. Thomas Gass
*Ambassador, Assistant Director General,
Swiss Agency for Development and Cooperation (Switzerland)*

Mr. Vitalice Meja
Executive Director of Reality of Aid Africa (Non-Executive Co-Chair)

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▶ EXECUTIVE SUMMARY

This Special Report seeks to inform decision makers' political commitments during the Effective Development Co-operation Summit in Geneva, Switzerland, in December 2022. The report focuses on the current state of development co-operation and reviews approaches that facilitate partnership-building, taking the new GPEDC monitoring exercise as a critical opportunity to generate behaviour change. The report draws on evidence from a series of 15 country-level Action Dialogues held across Africa, Asia and Latin America and the Caribbean in 2021 and 2022. Led by partner countries, these Action Dialogues brought together stakeholders from across the development landscape to strengthen co-operation to urgently scale up partnerships for COVID-19 recovery and SDG implementation.

The effectiveness of development co-operation is more important than ever, given increasingly worrying global trends. The development co-operation landscape has seen substantial changes since the international community agreed to the Busan Partnership in 2011. Official finance providers, implementing entities and partnerships have proliferated, leading to a more complex, fragmented global aid architecture. Multiple overlapping crises are jeopardizing progress across the 2030 Agenda and driving up countries' financing needs. Development actors have only made limited progress towards their development effectiveness commitments, which erodes trust and mutual accountability and undermines capacities to forge better partnerships in a constantly evolving development landscape. **The 2022 Effective Development Co-operation Summit is an opportunity to rethink how we work together,** with the ambition to move from commitment to action and to engage more effectively at the country level.

Focusing on the effectiveness of development co-operation is urgent as we tackle pressing development challenges and regain traction to achieve the 2030 Agenda. Accordingly, **the GPEDC has worked with partner countries and other development stakeholders to conduct Action Dialogues** to draw on evidence, learnings and data gathered through the monitoring of effective development co-operation and the four effectiveness principles. **To strengthen country ownership (principle 1) and hence provide a strong foundation for effective development co-operation, stakeholders converged on the need for the right combination of policies, strategies and systems.** For instance, both Tanzania and Côte d'Ivoire pledged to enhance ownership by engaging different levels of government more systematically on development planning and implementation.

As part of the focus on results (principle 2), countries are strengthening their data systems, monitoring and evaluation processes, reporting on and integration of the SDGs. For example, during its Action Dialogue, Honduras decided to adapt its national development framework to SDG targets. Additionally, partner countries committed to building more inclusive partnerships (principle 3). Here, **nationally led reporting and dialogue mechanisms were highlighted as key to building trust.** In its Action Dialogue, Liberia committed to establishing a multi-stakeholder platform under the National Development Plan's Steering Committee. Similarly, Bangladesh plans to provide capacity support for local governments to coordinate better with local stakeholders.

The Action Dialogues also focused on transparency and accountability (principle 4) to account for shifts in development co-operation partnerships and increase accountability among all development stakeholders. This can be achieved by implementing legal reforms, building more inclusive partnerships and strengthening tools for effectiveness. In Lao PDR, the Government committed to strengthening transparency by building on its information system for managing development assistance to collect data from relevant development partners.

The effectiveness principles provide valuable guidance on gender equality and the empowerment of women and girls and promote action to advance these. Given the principle of national ownership, official development assistance and other forms of financing should be fully aligned with national gender equality priorities. Similarly, transparency in financing among all stakeholders fosters collective accountability, a foundation for trust-based, inclusive partnerships that include women's voices in a meaningful manner.

The development community needs to build on the 2011 "new deal for engagement in fragile states", a refreshed interpretation of how the effectiveness principles apply in fragile contexts, within the broader frame of the humanitarian-development-peace nexus. More than half of the total volume of bilateral ODA spent at the country level targets fragile contexts. Maximizing the impact of ODA for all people living in fragile contexts should remain a priority. Noting the importance of pursuing multi-stakeholder political dialogue, the Action Dialogue in the Democratic Republic of Congo aims to launch an Integrated National Financing Framework as a structured approach, involving stakeholders in the joint planning and programming processes to finance the country's sustainable development.

Today's global challenges are interlinked and require scaled-up international, multilateral, multi-stakeholder co-operation in the interests of global stability, including through development co-operation and good multilateral donorship. Interconnected global challenges have complex implications when it comes to reconciling the increased need for investment in global public goods with maintaining direct support to partner country priorities, in line with the country ownership principle. The Dominican Republic Action Dialogue considered global problems such as recovery from the COVID pandemic and climate change risks. Such problems call for enhanced effective development co-operation through the multilateral system and put renewed emphasis on its effectiveness. However, project-based interventions are increasingly jeopardizing the system's ability to provide holistic, integrated solutions.

Action towards more effective development co-operation informs how countries build partnerships. This requires tailored approaches to implementing inclusive dialogue and action processes that are aligned with country contexts. Unprecedented policy measures have helped economies worldwide recover from the COVID pandemic. However, these have had asymmetric effects and have been short-term in scope, adding new challenges to an already strained policy environment. Effectively mobilizing all types of development finance in line with national priorities requires an understanding of country-specific

financing challenges and opportunities and the role of development co-operation in this broader picture. Access to development finance remains a major challenge, and supporting countries' efforts to adapt and move beyond ODA can help establish results-focused partnerships.

Developing **Integrated National Financing Frameworks, establishing South-South and Triangular Co-operation partnerships, as well as strengthening engagement with the private sector and civil society** all provide opportunities to build stronger, more inclusive partnerships. **Integrated National Financing Frameworks offer a holistic, integrated approach: they cover all financing resources, help countries bridge the gap between short- and long-term planning, and align public and private finance.** In Rwanda, which is developing an Integrated National Financing Framework, the Action Dialogue recognized the need to diversify development finance flows and align these to national development priorities. Limitations to public investment in the aftermath of the pandemic allowed the country to focus on opportunities for expanding private sector and civil society involvement through new partnership models.

Similarly, South-South and triangular co-operation complement partnering modalities and foster greater country-level ownership of development co-operation. A key outcome from Colombia's first Action Dialogue included the launch of the Community of Practice on Measurement and Quantification of South-South Cooperation. Colombia will lead this community, which will be comprised of public, private, social and academic stakeholders from around the world. **As part of its effort to provide cutting-edge data in the context of the 2030 Agenda, the Global Partnership is supporting country-led efforts to measure the effectiveness of South-South co-operation.**

Improving partnerships with the private sector can amplify the transformative power of effective private sector engagement to deliver the SDGs and ensure that no one is left behind. During Peru's Action Dialogue, the country presented a set of recommendations that included promoting the implementation of the Kampala Principles for the effective participation of the private sector in development co-operation.

More effective partnerships with civil society organizations are essential for making an impact on the most marginalized. By fostering a more nuanced understanding of the local context, upfront engagement leads to better development results. However, CSOs face ever-growing challenges, such as shrinking civil space, attacks on human rights and autocratization. The pandemic illustrated how civil society is a vital part of the social fabric and a source of resilience in times of crisis. It is thus critical to ensure that partner-country civil society actors are involved in decision-making based on equal power relations. The Action Dialogues signalled the demand for sustained, dedicated efforts on the part of all stakeholders to promote and safeguard an enabling environment for civil society. In Togo, a framework for better civil society engagement is being developed.

The new GPEDC monitoring exercise supports stronger development outcomes through a virtuous circle of inclusive dialogue, collective accountability, tracking results and agreeing on actions. With added focus on reflection, dialogue and action, the new GPEDC monitoring exercise aims to generate behaviour change for all stakeholders. While the exercise was being reformed, the Action Dialogues put forward new evidence on how development effectiveness is being strengthened at the country level. From now on, the Action Dialogues will be at the core of the revised focus of the monitoring exercise.

The 2022 Effective Development Co-operation Summit is an opportunity to cement and revitalize political commitments to the principles of development effectiveness, as well as to collectively commit to the new monitoring exercise, which will begin in 2023. The monitoring process generates evidence on the pledge to leave no one behind and provides added focus on data and statistical systems. It further provides adaptations for fragile settings, includes an assessment of the Kampala Principles for Private Sector Engagement, and improves institutionalization and synchronicity with other global and country-level processes. Together, these changes reflect the consensus that the monitoring exercise must remain the globally recognized source of data on upholding effectiveness commitments, while at the same time strengthening this data to further support behaviour change at both the global and country levels.

Pursuing more effective development interventions and stronger partnerships at the country level is a critical priority. The Action Dialogues and the participation of all GPEDC stakeholders in the reform of the GPEDC monitoring exercise attest to the community's continued interest in addressing new and ongoing challenges to achieving the SDGs by working together better. In an evolving development landscape, the effectiveness principles have proven to be a unique, shared compass that countries can use to orient multi-stakeholder dialogue and action on priorities and needs. The GPEDC will continue to position itself as the primary multi-stakeholder platform for generating critical evidence to support the practical implementation of the effective development co-operation principles in the spirit of collective accountability.



▶ TABLE OF ABBREVIATIONS

- CSO** ▶ civil society organizations
- DAC** ▶ Development Assistance Committee
- DRC** ▶ Democratic Republic of Congo
- EU** ▶ European Union
- GPEDC** ▶ Global Partnership for Effective Development Co-operation
- IFAD** ▶ International Fund for Agricultural Development
- IMF** ▶ International Monetary Fund
- INFF** ▶ Integrated National Financing Frameworks
- NST** ▶ National Strategy for Transformation (Rwanda)
- ODA** ▶ official development assistance
- OECD** ▶ Organisation for Economic Co-operation and Development
- PDR** ▶ People's Democratic Republic
- PFM** ▶ public finance management
- PSE** ▶ private sector engagement
- SDG** ▶ Sustainable Development Goals
- SSC** ▶ South-South co-operation
- SSTC** ▶ South-South and triangular co-operation
- UNDP** ▶ United Nations Development Programme

▶ ABOUT THIS REPORT

This special report seeks to provide information for the Effective Development Co-operation Summit in Geneva, Switzerland, in December 2022. It considers the 2020-2022 Global Partnership for Effective Development Co-operation (GPEDC) work programme, including action, learning and debate at the country, regional and global levels. This programme has provided important information on development co-operation trends and a firm basis for reforming the GPEDC monitoring exercise, which is set to resume in 2023.

More specifically, it draws on evidence from a series of Action Dialogues, supported by the GPEDC and held at the country level across Africa, Asia and Latin America and the Caribbean in 2021 and 2022. Led by partner countries, these dialogues brought together stakeholders from across the development landscape to strengthen co-operation to urgently scale up partnerships for COVID-19 recovery and implement the Sustainable Development Goals (SDGs).

This report explores the state of the debate on key development co-operation issues in different country contexts in relation to challenges faced. It presents evidence that validates the relevance of the Principles for Effective Development Co-operation (Effectiveness Principles) in today's dynamic and volatile global context. It illustrates progress towards mobilizing sources of development finance beyond official development assistance (ODA) through stronger development co-operation partnerships. Finally, it explains how the new monitoring exercise is expected to help strengthen effectiveness at the country level through a virtuous circle that reinforces collective accountability. Ultimately, this report consolidates the key evidence from the GPEDC to support country-level actions. It seeks to inform decision makers' political commitments during the Effective Development Co-operation Summit and advise practitioners in their response to the multiple shocks and challenges facing the world.

Box 1 ▶ The Global Partnership for Effective Development Co-operation

The GPEDC was established following the adoption of the Busan Partnership Agreement, with the aim of advancing the effectiveness of development efforts by all actors. The agreement was endorsed in 2011 by 161 governments and heads of multilateral and bilateral institutions, representatives of civil society and the private sector, parliamentarians and other stakeholders committed to strengthening the effectiveness of their development efforts.

Building on the aid effectiveness commitments made in Rome (2003), Paris (2005) and Accra (2008), Busan marked a fundamental shift in the effectiveness agenda, moving beyond a focus on traditional aid to a focus on development co-operation, which recognizes the important roles of diverse development actors, including civil society, the private sector, philanthropists and parliaments.

▶ PRINCIPLES FOR EFFECTIVE DEVELOPMENT CO-OPERATION

COUNTRY OWNERSHIP

Countries set their own national development priorities...



Development partners align their support to national priorities using country systems...

FOCUS ON RESULTS



Development co-operation is directed to achieving measurable results and progress is monitored...

INCLUSIVE PARTNERSHIPS



Development partnerships are inclusive, recognizing and building on the different and complementary roles of all actors.

TRANSPARENCY & ACCOUNTABILITY



Countries and development partners are jointly responsible for achieving set goals and ensuring that information is available to partners, citizens and beneficiaries.

INTRODUCTION

IN THE WAKE OF WORRISOME GLOBAL TRENDS, THE EFFECTIVENESS OF DEVELOPMENT CO-OPERATION IS MORE IMPORTANT THAN EVER.

The development co-operation landscape has seen substantive changes since the international community agreed to the Busan Partnership in 2011. Adopting the comprehensive and ambitious 2030 Agenda for Sustainable Development has increased the focus on tackling global challenges and investing in global public goods. In its efforts to address the magnitude of the investments required to generate global sustainable growth and shared prosperity, the international community is now focusing on increasing the quantity of development finance. In other words, it is seeking to use development assistance in a more “catalytic” way, mobilizing multi-stakeholder engagement, which often comes at the expense of a focus on quality at the local level.

This increase in development finance was accompanied by a proliferation of official finance providers, implementing entities and partnerships. This diversity has contributed to the continued fragmentation of development activities,¹ as resources are frequently delivered in a piecemeal way that strains institutional capacities and increases transaction costs. The continued rise in earmarking observed over the past two decades has fuelled concerns that this strategy is contributing to the fragmentation of the multilateral system.² In response to this fragmentation and rising inflation in many parts of the world, there is an urgent need to improve the effectiveness of development co-operation to make the most of existing resources.

The GPEDC focuses on how multiple development actors can partner and work together more effectively as critical enablers for enhanced collective action towards the 2030 Agenda, alongside stakeholders that include Governments, bilateral and multilateral organizations, civil society, the private sector and representatives from parliaments and trade unions.

¹ World Bank (2021), A Changing Landscape: Trends in Official Financial Flows and the Aid Architecture, World Bank, Washington, <https://thedocs.worldbank.org/en/doc/9eb18daf0e574a0f106a6c74d7a1439e-0060012021/original/ACHanging-Landscape-Trends-in-Official-Financial-Flows-and-the-Aid-Architecture-November-2021.pdf>

² | OECD (2020), “Earmarked funding to multilateral organizations: how is it used and what constitutes good practice?”, Policy Brief, <https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/Multilateraldevelopment-finance-brief-2020.pdf>

The recent shocks of the **COVID-19 pandemic and Russia's invasion of Ukraine** have accelerated changes to the development landscape. Both shocks are affecting countries across the globe, and ramifications from the war in Ukraine and other conflicts are escalating humanitarian needs.

Compounded by an increasingly existential climate emergency that is causing forced displacement in different parts of the world, **the urgent need for more humanitarian aid and short-term ODA may draw away resources from investments in long-term development and peace.** These developments highlight the world's interconnectedness and the imperative for sustained solidarity and coordinated, multilateral action involving multiple stakeholders to increase resilience to shocks and to ensure a more sustainable socio-economic recovery.

The multiple, overlapping crises are undermining progress across the 2030 Agenda and driving up countries' financing needs. Years or even decades of progress have been halted or reversed, and the poorest and most vulnerable are being disproportionately affected. The pandemic has also exposed and intensified inequalities within and among countries. Consequently, **the financing gap for the SDGs has widened, primarily in the countries already furthest behind on the 2030 Agenda.**³ To address urgent pandemic-related needs, the poorest countries have already reallocated development co-operation resources from critical SDG sectors such as infrastructure and education. This has compounded the difficulties already facing these countries, whose fiscal space is shrinking and many of which are at risk of debt distress.⁴

Several other cross-cutting country-level challenges are slowing progress towards sustainable development results, including via effective development co-operation. **Development co-operation often takes place in challenging circumstances, in countries experiencing protracted conflicts, contested state legitimacy and/or limited state capacity and effective leadership.** Furthermore, when development co-operation is seen as a foreign policy tool, trade-offs with political, commercial or other government objectives make it harder to align co-operation with partner country priorities and focus on those furthest behind. As a result, development actors make only limited progress towards their development effectiveness commitments,⁵ which erodes trust and mutual accountability and undermines the open dialogue that would allow them to forge better partnerships in a constantly evolving development landscape.

THE EFFECTIVENESS PRINCIPLES HAVE TO BE CONTEXTUALIZED, APPLIED AND INTERPRETED IN LIGHT OF THE REALITIES IN DIFFERENT COUNTRIES AND IN RESPONSE TO DIVERSE NEEDS.

The challenges we face today are more complex, more interconnected and more global than ever before. Realizing the 2030 Agenda and driving the Decade of Action will require urgent additional efforts, including revitalizing the Global Partnership for Sustainable Development (SDG 17). The urgency faced by the development co-operation community has triggered **renewed political momentum around the need to revamp development effectiveness.**⁶

Development actors converge on the value and relevance of the principles for effective development co-operation.⁷ However, they also point to **the need to strengthen** efforts to contextualize and define the applicability of the effectiveness principles **to new development co-operation trends, varying country contexts and emerging challenges.**

The GPEDC is the primary multi-stakeholder vehicle for driving development effectiveness. It supports the practical implementation of effective development co-operation principles at the country level, promotes mutual accountability and works to sustain global political momentum for more effective co-operation and partnerships. **Its flagship monitoring exercise is the globally recognized source of evidence on progress made on effective development co-operation** commitments. Following three global monitoring rounds in 2014, 2016 and 2018, the exercise has recently undergone an ambitious reform to better align it with stakeholder expectations and make it more relevant at the country level. It will be relaunched at the Effective Development Co-operation Summit in preparation for the next round in 2023.

The 2022 Effective Development Co-operation Summit aims to facilitate major political decisions to translate high-level commitments into concrete actions towards more effective development co-operation at the country level. It is a call to action to invest more in country-specific capacity in the spirit of the “whole-of-society approach”. It also seeks to use the new monitoring exercise to mainstream the development effectiveness principles in appropriate processes and systems at the country level, in parallel with efforts to improve policies and practices at the global level.

³ | OECD (2020), Global Outlook on Financing for Sustainable Development 2021: A New Way to Invest for People and Planet, OECD Publishing, Paris, <https://doi.org/10.1787/e3c30a9a-en>

⁴ | UN DESA (2022), “Policy brief no. 137: Ensuring SDG progress amid recurrent crises”, 12 July, <https://www.un.org/development/desa/dpad/publication/un-desa-policy-brief-no-137-ensuring-sdg-progress-amidrecurrent-crisis/>

⁵ | OECD/UNDP (2019), Making Development Co-operation More Effective: 2019 Progress Report, OECD Publishing, Paris, <https://doi.org/10.1787/26f2638f-en>

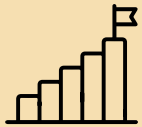
⁶ | For various reasons, “development effectiveness” has gradually been dropped from the development community's priorities after the Busan Partnership Agreement. For more, see Taggart, J. (2022), “A decade since Busan: towards legitimacy or a ‘new tyranny’ of global development partnership?”, *The Journal of Development Studies*, Vol. 58/8, pp.1459–1477, <https://doi.org/10.1080/00220388.2022.2032672>

⁷ | Calleja, R. and B. Cichocka (2022), “Development effectiveness in the ‘new normal’: what do the changing roles and purposes of ODA mean for the effectiveness agenda?” CGD Policy Paper 255, Center for Global Development, Washington, DC, <https://www.cgdev.org/publication/development-effectiveness-new-normal-what-do-changing-roles-and-purposesoda-mean>

SECTION

1

**MORE
EFFECTIVE
DEVELOPMENT
CO-OPERATION
TO LEAVE NO
ONE BEHIND**

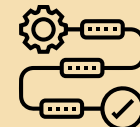


FOCUSING ON THE EFFECTIVENESS OF DEVELOPMENT CO-OPERATION IS URGENT AS WE TACKLE PRESSING DEVELOPMENT CHALLENGES AND REGAIN TRACTION TO ACHIEVE THE 2030 AGENDA.

The multiple acute crises being faced globally require a sharper focus on principled, data-driven decisions to reach those most in need. Urgent action is vital to further unlock the potential of effective development co-operation for better results throughout the Decade of Action to deliver the SDGs. Country-level action must be informed by evidence-based dialogue that engages all relevant stakeholders and partners in reflecting on the challenges, opportunities and priority areas for improving the effectiveness of development co-operation and partnerships. The Global Partnership monitoring exercise provides strong evidence and a framework to inform these actions.

The GPEDC has worked with partner countries and other development stakeholders to conduct a series of Action Dialogues to draw on the evidence, learnings and data from the monitoring of effective development co-operation and the four effectiveness principles. These Action Dialogues stimulated multi-stakeholder discussions and mobilized a broad constituency of partners to bolster ongoing efforts and actions for effective and efficient use of resources towards COVID-19 recovery and achieving the 2030 Agenda.

Throughout 2021 and 2022, **the 15 Action Dialogues held across Africa, Asia, and Latin America and the Caribbean have served to build a shared understanding of the state of effective development co-operation** based on an assessment of the challenges of the evolving development co-operation and partnership landscape. The Action Dialogues also provided scope for stakeholders to agree on concrete steps and generate political buy-in for joint actions. These focused on making co-operation and partnerships more effective by drawing on commitments to the four effectiveness principles and building on evidence from previous Global Partnership monitoring exercises.



LEVERAGING THE PARTICIPATION AND RESOURCES OF ADDITIONAL STAKEHOLDERS FOR BETTER RECOVERY REQUIRES A BROADLY OWNED DEVELOPMENT PROCESS, PARTICIPATORY POLICYMAKING AND A SHARED AGENDA.



In **Côte d'Ivoire**, a commitment was made to **uphold the objectives of the Action Dialogue process and to repeat the exercise annually through 2030**. As discussed during the dialogue, this commitment reflects the country's desire to address the aftermath of the COVID-19 pandemic and the crises generated by conflicts, which have increased poverty levels as well as economic and social inequalities.



During the **Togo Action Dialogue**, it was noted that the **COVID-19 pandemic catalysed efforts to strengthen government co-operation with development actors**. This led to more active government leadership in coordinating development actions, including mobilizing resources. Furthermore, the Action Dialogue revealed the progress that had been made on fast-tracking public financial management reforms. It also focused on the push for increased flexibility in development co-operation, including increases in budget support and the reallocation of resources to the health sector. Underscoring this, Togo has put the SDGs at the centre of national development efforts by highlighting their interconnectedness.



In **Honduras**, the **Action Dialogue focused on the rapidly expanding economic crisis and the restricted fiscal space resulting from the COVID-19 pandemic**. It also examined the effects of major tropical storms and highlighted the need for more effective use of resources across sectors. The dialogue provided a multi-stakeholder space to reflect on a route of actions to strengthen effective development co-operation.



The Action Dialogue in **Paraguay** found that the COVID-19 pandemic posed a major challenge to development. It was noted that **effective multi-stakeholder dialogue spaces maximized impact in recovering from the pandemic. These spaces also contribute to achieving the goals and targets of the 2030 Agenda and the National Development Plan**. The latter, which is 92 percent aligned with the SDGs, serves as **an effective road map for transforming long-term goals into sustainable development results**.



This is further evidenced by the 2022 Development Co-operation Forum survey, which demonstrates that effective development co-operation played an important role in responses to the unprecedented challenges posed by the COVID-19 pandemic.



During the reform process of the GPEDC monitoring exercise, Action Dialogues provided a critical source of evidence on how governments and stakeholders work in partnership at the country level to maintain momentum for more effective development co-operation.

1.1 ► OWNERSHIP OF DEVELOPMENT PRIORITIES BY PARTNER COUNTRIES



Build the capacity of in-country development actors to leverage new forms of development financing and partnerships, and provide targeted solutions aligned with the SDGs.

Constituency Message
Partner Countries



THE RIGHT COMBINATION OF POLICIES, STRATEGIES AND SYSTEMS CAN STRENGTHEN INCLUSIVE NATIONAL OWNERSHIP AND PROVIDE STRONGER FOUNDATIONS FOR EFFECTIVE DEVELOPMENT CO-OPERATION.

During **Rwanda's** Action Dialogue, panellists jointly reflected upon how development partnerships are evolving, how well development actors are working together in response to the pandemic recovery and what actions are needed to advance the implementation of the effectiveness principles. Rwanda has implemented robust development planning and coordination policies and systems, which serve as good practices for strong national ownership. The Division of Labour (2014) policy guides the work of the country's development partners and coordinates support for the country's Vision 2050 and National Strategy for Transformation (2017-2024). **A new development co-operation policy was launched** in 2019, which updates the 2006 Aid Policy and sets out preferred modalities and mechanisms for development co-operation.

Tanzania held its Action Dialogue to support bridging the gap between central and local development efforts. Discussions focused on enhancing national ownership by engaging different levels of government more systematically in development planning and implementation. This approach acknowledges the capacity gaps identified among local government authorities when formulating their development priorities and strategies. Authorities are now implementing the Guidelines for Improved Opportunities and Obstacles to Development. This presents a more holistic methodology that establishes collaborative relationships between the Government and communities, empowering communities to deliver on their development initiatives. The Action Dialogue revealed that strengthening local government capacity requires additional resources as well as more explicit linkages to the SDGs. It was stressed that planning and budgeting processes should be more participatory at the local level to ensure that development priorities are aligned and benefit from broad national ownership.



In **Togo**, the Action Dialogue allowed participants to take stock of progress on implementing effective development co-operation principles since the last monitoring exercise was conducted in 2018. The Government recognized the importance of country ownership and highlighted efforts to ensure broad national ownership of the 2020-2025 development road map. Public finance management (PFM) systems were found to be critical to increasing ownership. Accordingly, **the Government committed to continue implementing PFM system reforms**, including by accelerating procurement reforms and continuing to conduct public expenditure and financial accountability assessments and public investment management assessments. Accordingly, **development partners committed to making greater use of national procurement systems.**

In **Côte d'Ivoire**, to determine the current state of progress on implementing the principles of effective development co-operation, **the Government conducted a survey with key development stakeholders**, the results of which informed the Action Dialogue. This survey built on the results of the GPEDC's three previous monitoring round. On the topic of ownership, the main challenges that emerged from the survey related to the periodicity and dissemination of **national development plans and strategies**. The survey also found that national and sectoral strategic documents need to approach the concerns of all development actors in a more inclusive manner. To provide stronger foundations for engagement, stakeholders committed to updating and aligning development planning documents based on the latest National Development Plan.

During the Action Dialogue for **Honduras**, **commitments were made to align national planning and budgets with efforts to attain the SDGs**. The Government stressed the importance of establishing long-term co-operation strategies with development partners, making aid more predictable and steering co-operation programmes towards poverty reduction, inclusion and human development, while focusing on the most vulnerable sectors. The Government also committed to strengthening national procurement and financing systems for the implementation of development efforts.

1.2 ► COUNTRY-LED RESULTS FRAMEWORKS, DATA AND MONITORING AND EVALUATION SYSTEMS

STRENGTHENING DATA SYSTEMS, PURSUING MONITORING AND EVALUATION, CONDUCTING SYSTEMATIZED REPORTING, AND INTEGRATING SDGs ARE ALL EXAMPLES OF GOOD PRACTICES IN STRENGTHENING EFFECTIVE DEVELOPMENT CO-OPERATION.

During its Action Dialogue, **Togo** discussed strengthening results-based management. Regular reporting on development projects and programmes, joint reviews involving all development actors and follow-up on the recommendations in these reviews were all highlighted as ways this could be addressed. Improving national statistical capacity was also identified as a priority, one that is already high on the government agenda, as evidenced by the recent reform of the National Institute of Statistics and Economic and Demographic Studies and the implementation of the National Strategy for the Development of Statistics. It was noted that access to reliable data was one of the challenges to strengthening results-based management, including financial data from civil society organizations (CSOs) and development partners.

In **Côte d'Ivoire**, participants in the Action Dialogue agreed on key challenges. These included **taking better account of the effects of the COVID-19 pandemic when defining public policies** and systematizing monitoring and evaluation mechanisms during planning processes in order better inform future actions .

During the Action Dialogue **of the Dominican Republic**, participants reflected on **their participation in the GPEDC monitoring rounds of 2016 and 2018 and presented a list of actions** to enhance the focus on results. As a result, the Dominican Government is implementing a two-yearly evaluation and systematic reporting



methodology for co-operation projects, developing a results-based management policy and tracking the percentage of initiatives that are aligned with the National Development Plan. It is also developing its first transformative national multi-year plan for international co-operation focused on people's quality of life while providing a road map that guides development partners to align with those national priorities.



Bangladesh defines its national priorities in terms of SDG results, which provides a strong political impetus for development partners to align with the SDGs. Based on these foundations, the Action Dialogue in **Bangladesh addressed ongoing government efforts to localize the SDGs by applying development effectiveness principles**. To achieve SDG targets at the local level, the Government of Bangladesh selected 39 crucial indicators from the 17 SDGs and included the leave no one behind principle as an additional indicator to be monitored in accordance with specific local circumstances. Diverse stakeholders-including local authorities, private sector actors, CSOs and development partners-**stressed the importance of local community engagement** to better understand the local context and obstacles to further enhancing partnerships at the local level.

As part of its Action Dialogue, Honduras discussed efforts to adapt its national development framework to SDG targets. It was reported that by 2020, the Government had formulated 33 Institutional Strategic Plans under a results-based management approach and was in the development process of developing four additional plans for 2021. These seek to measure medium and long-term institutional progress against the allocated budget and also include a results framework on the localization of SDGs across subnational territories. The Government **committed to ensuring that the data in the national results frameworks is properly disaggregated** and is used to guide performance, enhance development outcomes, facilitate multi-stakeholder engagement and **ensure that no one is left behind**.

Box 2 ► GPEDC Bern Call to Action for effective support to national statistical systems and the use of data for development

Based on extensive consultation with partner countries and a wide range of stakeholders, GPEDC launched the Bern Call to Action, which recognizes the critical role played by national statistical systems in designing and monitoring the effects of public policies at the country level. It also takes stock of the dynamics at work in national statistical systems, including linkages to the wider, fast-changing data ecosystem in the context of digitalization. The Bern Call to Action seeks to:

- Align data support with countries' long-term needs and priorities
- Strengthen the uptake and use of data among all stakeholders
- Consolidate an evidence-based approach to leaving no one behind
- Build inclusive, transparent and accountable data collaborations

Box 3 ► Recurring bottlenecks to the uptake of the SDGs as common results frameworks between development partners and partner countries

Comparative analysis conducted in Bangladesh, Ethiopia, Kenya, Myanmar, Peru, Samoa and Uganda point to persistent technical, organizational and country-specific issues that slow the adoption of common SDG results frameworks and lead to fragmented support. These obstacles include: (i) the slow pace of mainstreaming the SDGs across national plans, sectors and subnational governments; (ii) insufficient availability and use of data on SDGs; and (iii) parallel data-gathering processes due to development partners' corporate requirements for more frequent or disaggregated project-specific results data.

Multi-stakeholder dialogue on the use of shared SDG results frameworks in Sierra Leone called for stronger collective coherence, coordination and support for efficient joint monitoring, capacity-building and data gathering to address disconnects between SDG-related financing, monitoring and decision-making.

Source: OECD (2021), Achieving SDG Results in Development Co-operation: Summary for Policy Makers, OECD Publishing, Paris, <https://doi.org/10.1787/5b2b0ee8-en>; OECD (2022), Inclusive Dialogue in Sierra Leone: Working Together Towards Joint Results in Sierra Leone (forthcoming).

1.3 ► INCLUSIVE PARTNERSHIPS

NATIONALLY LED REPORTING AND DIALOGUE MECHANISMS SERVE TO BUILD TRUST AND PROVIDE INCREASED SCOPE TO BUILD MORE INCLUSIVE PARTNERSHIPS.

As Rwanda's 2020 External Development Finance Report⁸ points out, the Government has actively diversified its sources of external development finance, with increasing resources coming from philanthropy and private investment. In addition, close to a third of development partner flows are directed to civil society and the private sector. This report seeks to inform dialogue between Government and development partners on the magnitude, scope and direction of various resource flows, while putting forward ways to enhance development co-operation effectiveness. During its Action Dialogue, **Rwanda shared information on funding received as part of the COVID-19 response.**

During the dialogue, Rwanda also outlined its mechanisms for engagement. One key mechanism was the annual retreat with development partners, which was the forum used to conduct the Action Dialogue. Panellists focused on ways to build more efficient multi-stakeholder platforms that align better with national priorities and processes. The **Action Dialogue resulted in specific areas for action that focused on reenergizing development coordination mechanisms and platforms to promote more strategic engagement with the private sector and CSOs.** It further noted that while Rwanda has improved its development co-operation framework, continuous support is needed to strengthen existing platforms. One priority in this regard is improving the development effectiveness architecture to align it better with medium-term expenditure frameworks and planning.

In **Tanzania**, local and regional coordination frameworks convene at regular intervals. The District Consultative Council brings together stakeholders each quarter, including local government, the private sector, academia and non-state actors. The Regional Consultative Council performs a similar function for a larger geographic area. While most stakeholders were satisfied with these mechanisms, the



Raise the profile of local and regional governments in the development co-operation effectiveness agenda to enable open dialogue with central governments to align actions to country priorities, ensure coordination to enable local actors to deliver in their specific contexts and increase accountability.

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Local and Regional Governments

⁸ | Ministry of Finance and Economic Planning of Rwanda (2020), External Development Finance Report: Fiscal Year 2018/2019, Kigali, Ministry of Finance and Economic Planning, www.devpartners.gov.rw/fileadmin/user_upload/EDFR_Final_Report_final_after_design.pdf.

disconnect with strategic dialogue was highlighted. The importance of information-sharing was thus among the key issues raised at the local level. A platform or mechanism is therefore needed to ensure that local stakeholders participate in the strategic dialogue with stakeholders from the district and regional levels. It was suggested that this initiative be supervised by the Office of the Regional Commissioner. Moreover, it was agreed that the Action Dialogue process was an important coordination mechanism and should be expanded to other districts of Tanzania. Participants in the dialogue argued that the Government should increase the coordination budgets allocated to Regional Administrative Secretariats and that development partners should consider supporting these efforts to ensure their sustainability.

PARTNER COUNTRIES AND DEVELOPMENT PARTNERS MUST CONTINUE TO INVEST IN STRENGTHENING NATIONAL DEVELOPMENT CO-OPERATION ARCHITECTURE FOR MORE INCLUSIVE PARTNERSHIPS.



As one of the outcomes of the Action Dialogue in **Liberia**, the **Government and development stakeholders agreed to establish a standing multi-stakeholder platform under the National Development Plan's steering committee.** This platform seeks to make development co-operation more effective and better align development stakeholders' activities with the National Development Plan, including those of CSOs and the private sector. This agreement was reached following a joint field trip in which Government and development actors sought first-hand information on the results and impacts of development assistance in the country. The platform will also inform existing sector working groups, as per the development co-operation policy in Liberia (National Aid and NGO Policy of Liberia).



Lao People's Democratic Republic (PDR) has long been a proponent of more effective partnerships for development. In 2015, the Government and development partners renewed their commitment through the Vientiane Declaration on Partnership for Effective Development Co-operation and established the Vientiane Declaration Country Action Plan. The latter consists of 8 principles and 14 action areas that guide a broad development coordination framework for achieving national development goals in line with the SDGs, in partnership with various development stakeholders. In 2021, the Government of Lao PDR organized the 13th High-Level Round Table Meeting to discuss the national development agenda with development partners, the private sector, civil society and other stakeholders, including South-South partners. This key forum and the associated consultations were part of the round table process that guides the Action Dialogue in the



country. The 350 participants present at the dialogue confirmed the **importance of inclusive partnerships** when developing policy and engaging in development activities.

The **Peru** Action Dialogue recognized that the magnitude and severity of the **pandemic had strengthened the Government's commitment to collaborating effectively with key development actors to generate inclusive partnerships that benefit the most vulnerable communities.**

One measure that exemplifies this commitment is the strengthening of the National Decentralized System for International Technical Co-operation, a coordination mechanism that promotes synergies between governmental and non-governmental actors. The Action Dialogue outcome document included a series of recommendations for the Government, such as

“Develop[ing] management tools and documents such as guidelines, operating manuals, protocols, and other resources to further promote the participation, articulation and synergies among development actors from different sectors.”

In **Togo**, participants highlighted the mechanisms that manage external resources and support dialogue with technical and financial partners, including regular joint monitoring and evaluation of projects and programmes. Going forward, **the Government committed to revitalizing and, where needed, establishing an inclusive dialogue with development actors** to ensure there are regular exchanges to address the challenges to upholding the principles of development effectiveness.

During the Action Dialogue in **Honduras**, it was mentioned that various development actors participate **in the National Commission of the 2030 Agenda for SDGs**, a structured mechanism for dialogue to coordinate decision-making on the implementation of the 2030 Agenda that also strengthens effective development co-operation partnerships.

In **Côte d'Ivoire**, the **Government adopted a decree on the creation, organization and functioning of the institutional framework for monitoring the National Development Plan 2021-2025**, which covers the effective implementation of national priorities at the global, sectoral and local levels. In 2021, technical and financial partners revised and formalized their consultation frameworks to better align them with national dialogue mechanisms. Based on the challenges identified during the Action Dialogue, the Government committed to improving its dialogue around effective co-operation with all stakeholders by improving inclusivity, collective accountability and its commitment to results. The Government is aiming to formalize these dialogue frameworks with all actors.

Participants in the Action Dialogue also agreed to strengthen the capacities of development actors to push for more effective use of accountability mechanisms and national systems.

In **Bangladesh**, the Action Dialogue focused on strengthening inclusive partnerships to deliver sustainable development impact locally. Participants from local regions shared suggestions for enhancing such partnerships. These included providing **capacity support for local governments coordinating local stakeholders**, including CSOs, the private sector and parliament members, and support for carrying out monitoring actions and conducting site visits. Based on further discussions, the Government also committed to formulating action plans to implement the SDGs at the local level.

In **Paraguay**, Action Dialogue participants referred to **effective partnerships as an important enabler for achieving results**, noting that the United Nations Paraguay Co-operation Framework promotes effective collaboration between 18 United Nations entities that work with a wide range of stakeholders. The framework focuses on advancing sustainable development, human rights and gender equality, thus contributing to progress on the 2030 Agenda and across the priorities of the National Development Plan.

Box 4 ► Sectoral approaches to coordinating development co-operation

Health sector-wide approaches (SWAps) are a prominent mechanism for operationalizing the Effectiveness Principles for delivering health aid and are implemented in over 30 of the world's poorest countries. A health SWAp is a formal agreement between an aid-recipient government and its donors. The agreement commits both parties to a government-led, sector-wide health strategy, and asks donors to harmonize processes and rely on recipient-government financial management. SWAps were designed to remedy the worst failings of fragmented and duplicated project-based aid by providing a mechanism for coordinating development finance in pursuit of a government-led, sector-wide health strategy. Harmonized reporting and reliance on the recipient government for financial management strengthen country systems and free up capacity.

Source: GPEDC (2022), "The health impacts of development effectiveness", Effective Co-operation, <https://effectivecooperation.org/EffectivenessPrinciples-via-SWAps>

1.4 ► TRANSPARENCY AND ACCOUNTABILITY

A FOCUS ON TRANSPARENCY IS REQUIRED TO ACCOUNT FOR SHIFTS IN DEVELOPMENT CO-OPERATION PARTNERSHIPS AND TO INCREASE ACCOUNTABILITY AMONG ALL DEVELOPMENT STAKEHOLDERS.

In **Rwanda**, **accountability is regularly assessed** through the Donor Performance Assessment Framework, which is reported in the annual External Development Finance Report. This contains indicators that track the use of country systems and the flexibility of funding, which has allowed the Government to respond to new risks and changing needs during the pandemic. The Action Dialogue emphasized the need to strengthen mutual accountability for shifts in development co-operation partners and resource flows, including the increased role of the private sector. As a next step, it was agreed that the **Development Performance Assessment Framework would be updated to reflect the current context and include the principles for development effectiveness** while promoting clearer mutual accountability, in line with Rwanda's new development co-operation policy objectives. Furthermore, commitments were made to increase ownership of the aid information management system by enhancing training for government staff and exploring ways to adopt a new homegrown system.

In **Tanzania**, the Action Dialogue exposed critical issues relating to transparency at the local level. The mechanism for data reporting was found to be inadequate, and challenges around coordinating development were observed. It was thus proposed that a system be developed to house different data streams to help the Government collect and publish country-level data on development co-operation. Another challenge identified was the data/information gap on the SDGs, including the shortfall in local government capacity to provide such data. Moreover, the Government needs to strengthen the capacity of the office of the Registrar of NGOs to support civil society development actors so as to allow for better planning and implementation. There are approximately 11,000 NGOs operating at the local level in Tanzania, so the impact of this initiative should not be underestimated.



Advocate for greater support for programmes that strengthen parliaments' oversight and legislation role

Constituency Message
Parliamentarians

GREATER TRANSPARENCY AND ACCOUNTABILITY CAN BE REALIZED THROUGH REFORMS TO THE LEGAL FRAMEWORK, MORE INCLUSIVE PARTNERSHIPS AND BETTER TOOLS FOR DEVELOPMENT EFFECTIVENESS.

Côte d'Ivoire produces an annual report on development co-operation based on data collected on external financing through its platform managing this. In 2016, the Directorate General for Strategy and Aid Coordination was set up within the Ministry of Planning and Development to coordinate development partner support and drive more effective development co-operation. To strengthen the regulatory framework for accountability, the Government is increasingly emphasizing the transparency and effectiveness of public policies. For example, in 2021, **a draft law on the evaluation of public policies was adopted to promote and strengthen the culture of transparency and accountability** within the public and private sectors. Participants in the Action Dialogue agreed to strengthen the capacities of development actors with a view to making more effective use of accountability mechanisms.

In **Liberia**, the Government has an aid information management system for managing and tracking development co-operation projects. However, it was noted that mutual accountability and transparency need to be strengthened. During the Action Dialogue, development partners requested **a dashboard measuring development outcomes and impacts and the development funds disbursed**. Moreover, they requested that the Government provide a comprehensive picture of development financing in the country, including both public and private funds. It was agreed that these issues would be taken forward at the multi-stakeholder platform established as an outcome of the Action Dialogue in Liberia.

The **Action Dialogue in Lao PDR focused on mutual accountability and transparency** in following through on the Vientiane Declaration on Aid Effectiveness and the Country Action Plan (VDCAP 2006–2015). Participants highlighted that the VDCAP would need to have a systematized, comprehensive monitoring and reporting mechanism. This would build on **Lao's development assistance management information system as a key tool for collecting data from relevant development partners on 14 key development effectiveness indicators, half of which are directly linked to the global indicators**. Nevertheless, participants noted that systematic data collection and statistical analytical updates are still limited, which the Government committed to addressing. The results of the GPEDC monitoring are an important data source for tracking progress on implementing the VDCAP.

During the **Action Dialogue in Honduras**, the Government reflected on efforts to advance the principle of transparency and mutual accountability. The recently adopted **results-based regulation for municipal strategic planning** was highlighted, as was the monitoring of its implementation. The Government also committed to several actions to achieve these ends. First, it will **involve parliaments, local governments and non-state partners in the implementation of development strategies**. Second, it will increase transparency and equal participation of all state and non-state partners in national planning and budgeting processes, including women's civil society organizations.

Third, it will continue to strengthen gender-responsive planning and budgeting. Finally, it will strengthen national statistical capacities and disaggregated data to inform policy decisions and guide investments to benefit all segments of the population and leave no one behind.

The Action Dialogue in **Peru highlighted the importance of data and knowledge management systems for further enhancing effective development co-operation**. Those present agreed to promote these to better contribute to national development priorities and the 2030 Agenda. They emphasized developing tools to identify, collect, analyse and systematize good practices, experiences and knowledge on multi-stakeholder development partnerships.

Box 5 ► Strengthening mutual accountability through the GPEDC Monitoring Round

Findings from the 2018 GPEDC monitoring round informed several processes related to mutual accountability aimed at improving development effectiveness:

- As part of the government's efforts to define a new national strategy for development co-operation (2020-2030), Guinea used the results of the monitoring exercise to determine a strategic orientation to fulfil the objectives of the SDGs and move beyond being a fragile state.
- Cambodia used its report to the GPEDC monitoring exercise to inform its 2019-2023 development co-operation strategy. This includes a national monitoring process that uses most of the GPEDC monitoring indicators.
- Monitoring results were used as an input for all 10 of the Development Assistance Committee (DAC) Peer Reviews completed since the end of the 2018 round. Some DAC members also took further steps to analyse and take action on their results.

1.5 ► LEVERAGING THE EFFECTIVENESS PRINCIPLES TO MAINSTREAM GENDER EQUALITY AND WOMEN'S EMPOWERMENT

EFFECTIVENESS PRINCIPLES PROVIDE VALUABLE GUIDANCE FOR ADVANCING GENDER EQUALITY AND THE EMPOWERMENT OF WOMEN AND GIRLS AND PROMOTING ACTION TO ACHIEVE THIS.

Gender equality is central to fulfilling human rights and is a prerequisite for sustainable, inclusive development. Given the deep, interlocking crises currently facing countries and their disproportionate impacts on women and girls, development co-operation must align with and support the achievement of gender equality.

Coordinated, multipronged efforts are needed to achieve this. **On the principle of national ownership, ODA and other forms of financing should be fully aligned with national gender equality priorities.** Data on gender-responsive budgeting from more than 105 countries and areas provides clear evidence that strong national systems enable governments to allocate resources to address gender disparities more effectively and efficiently. Strategies used to achieve this include improving the quality of girls' education, reducing maternal mortality, investing in care systems and improving the quality and supply of public services. This approach promotes a focus on results by ensuring that resources flow where they will have the greatest impact.

Transparency in financing from all countries and stakeholders fosters collective accountability, a foundation for trust-based, inclusive partnerships. These partnerships recognize the complementary roles of different actors in addressing gender gaps at the country level, opening space for stronger multi-stakeholder engagement and the meaningful inclusion of women's voices.

The effectiveness principles thus provide valuable guidance for gender mainstreaming and advancing women's empowerment and promote action towards achieving this.

Specific country examples demonstrate that mainstreaming gender equality in the PFM system improves the targeting of budget allocations for implementing a national law on violence against women. This helps to ensure that the services needed by women who experienced violence are readily available, thereby enhancing accountability over gender equality for women and girls.

Further country examples show that there is a mandate that between 5 and 30 percent of ODA be allocated to gender-responsive programmes, complementing government investments, to deliver results in line with the national gender equality policy.

1.6 ► DEVELOPMENT EFFECTIVENESS IN FRAGILE AND CONFLICT-AFFECTED SETTINGS

DEVELOPMENT SOLUTIONS THAT TACKLE THE ROOT CAUSES OF FRAGILITY AND CONFLICT REQUIRE RENEWED ATTENTION. BUILDING ON THE 2011 NEW DEAL FOR ENGAGEMENT IN FRAGILE STATES, A REFRESHED INTERPRETATION OF HOW THE EFFECTIVENESS PRINCIPLES APPLY IN FRAGILE CONTEXTS IS NEEDED WITHIN THE BROADER FRAME OF THE HUMANITARIAN DEVELOPMENT-PEACE NEXUS.

More than half of the total volume of bilateral ODA spent at the country level targets fragile contexts.⁹ In these settings, ODA often remains an important source of development finance and is therefore a critical resource for these countries. **Extreme poverty is also concentrated in fragile settings.** In 2022, 24 percent of the world's population and 73 percent of the world's extreme poor are projected to live in fragile settings.¹⁰ Pre-pandemic trends already pointed to increased global fragility and inequality. Extreme poverty increased twice as much in fragile contexts due to COVID-19 than in non-fragile contexts.

Maximizing the impact of ODA through development co-operation effectiveness for all people living in fragile contexts should therefore remain a priority, along with enabling access to other development finance flows and partners. However, when the nature of the political dialogue between the Government and development partners is not conducive to building sufficient trust, applying the effectiveness principles is particularly challenging. Development co-operation may continue at different levels through area-based approaches by working with subnational actors, including civil society and communities.

In contexts where state authority and legitimacy are contested, the principles of national ownership and working with and through state institutions may be difficult to apply for ODA providers. In



Anchor effectiveness at the country level to translate global policy into country-level action, contributing to the advancement of the SDG Agenda

Constituency
Message DAC



some cases, partner countries may even be subject to international sanctions. Aligning these principles to nationally owned results may be challenging due to unresolved territorial disputes, the absence of a national development plan or the lack of capacity or incentives in the public sector to define results frameworks or set priorities. Pursuing **mutual accountability is further constrained when domestic institutions are weak.** These risks are higher in fragile contexts, compounding existing vulnerabilities and putting further pressure on scarce development resources.

Nonetheless, maintaining accountability loops with the wider stakeholder group is essential to ensuring continuity, guaranteeing spaces for inclusive dialogue and maintaining development gains during political transitions.

Development co-operation has become an integral part of foreign policy. As a result, development co-operation may benefit from stronger political engagement. This approach is in line with the spirit of the Organisation for Economic Co-operation and Development (OECD) DAC Recommendation on the Humanitarian-Development-Peace Nexus. It also reflects the fact that fragility is a global risk that affects us all and thus is inherently political. Consequently, development providers need to ensure that the effectiveness of their development co-operation remains at the core of their engagement.

To establish sustainable partnerships for development co-operation and build trust in fragile, conflict-affected settings, the effectiveness principles need to be applied, learning from best practices (see box 5). The New Deal for Engagement in Fragile States¹¹ (2011) recognizes that effective, long-term development partnerships in fragile contexts need a different approach to those designed for non-fragile environments, noting there are a variety of typologies of politically challenging contexts.

The Government of the **Democratic Republic of Congo (DRC)** implemented the New Deal for Engagement in Fragile States to develop plans to transition the country out of fragility. Development partners supported fragility assessments at the province level as an input for the vision, policies and resources required to achieve the SDGs by 2030. Multi-stakeholder consultations guided the DRC's 2019-2023 National Strategic Development Plan and Provincial Development Plans. Furthermore, a mutual accountability framework

⁹ | OECD (2022), States of Fragility 2022, OECD Publishing, Paris, <https://doi.org/10.1787/c7fedf5e-en>
¹⁰ | OECD (2022), States of Fragility 2022, OECD Publishing, Paris, <https://doi.org/10.1787/c7fedf5e-en>

¹¹ | Created in parallel to the Busan Partnership, the New Deal for Engagement in Fragile States is an agreement between fragile states, development partners and civil society organizations that is defined by five peacebuilding and statebuilding goals (PSGs) and two principles of "focus" and "trust", which are the foundations for achieving the SDGs.

helps the Government and its partners implement the abovementioned plans. Noting the importance of continuing the multi-stakeholder political dialogue, the DRC Action Dialogue focuses on launching an Integrated National Financing Framework (see section 2.1) as a structured approach to involving stakeholders in the joint planning and programming processes to finance the country's sustainable development.

The recent OECD DAC Recommendation on the Humanitarian-Development-Peace Nexus¹² offers a common framework for effective international engagement in fragile and conflict-affected contexts. This recommendation clarifies how humanitarian and development engagement can enable joined-up planning. To date, collective outcomes have been adopted in 24 of the 25 nexus pilot countries, many of which are in fragile contexts. At the same time, new tools and platforms for joint country analysis have been devised and made available to national stakeholders.¹³ These are a sound foundation for building inclusive partnerships.

Working in situations of conflict and fragility requires collaborating with different development actors. Bilateral development partners tend to have a limited country presence in fragile contexts. This restricts their capacity to navigate complex landscapes, making investing in joint action and leveraging partnerships with local and international development actors even more important.¹⁴

The GPEDC addresses some of the above challenges through a new monitoring exercise that is tailored to fragile contexts (see chapter 3). To that aim, the Global Partnership is a critical enabler for achieving the 2030 Agenda pledge to leave no one behind through evidence-based dialogue that draws on more relevant data and a timely feedback loop. It steers action towards delivering effectively in fragile contexts, tailoring the action in question to each unique set of circumstances.

¹² | In February 2019, the OECD DAC adopted its Recommendation on the Humanitarian-Development-Peace Nexus, in order to foster greater coherence and complementarity among organizations engaged in fragile contexts crises. The DAC International Network on Conflict and Fragility (INCAF) is tasked with overseeing the Recommendation's implementation.

¹³ | OECD (2022), The Humanitarian-Development-Peace Nexus Interim Progress Review, OECD Publishing, Paris, <https://doi.org/10.1787/2f620ca5-en>

¹⁴ | OECD (2020b), States of Fragility 2020, OECD Publishing, Paris, <https://doi.org/10.1787/ba7c22e7-en>

Box 6 ► Lessons learned from the UNDP Facility for the Implementation of the SDGs in Fragile and Conflict-Affected Settings.

Since 2014, the UNDP Facility for the Implementation of the SDGs in Fragile and Conflict-Affected Settings has been providing support for addressing the root causes and drivers of conflict and fragility. Some key guiding recommendations can be drawn from almost a decade of experience:

- Anchor national policymaking in risk-informed analysis: conduct holistic risk assessments to find new solutions for sustainable development by identifying barriers and opportunities.
- Address institutional and donor fragmentation that prevents national ownership and sustainability of efforts: strong commitment from governments and development partners for collaboration.
- Use opportunities for SDG reporting to elevate issues of risk and fragility: tracking progress through Voluntary National Reviews helps ensure the success of the 2030 Agenda.
- Make financing frameworks risk-tolerant in fragile situations: consider flexible yet reliable financing solutions to help promote stability in fragile, unpredictable contexts.
- Foster civil society engagement with sustained investment: consistent engagement with civil society fosters accountability and transparency, helping to repair the social contract in fragile areas.
- Combine high-tech and low-tech approaches to overcome contextual challenges: innovative combinations of these approaches help make efforts accessible in fragile settings.
- Utilize creative means to communicate the 2030 Agenda: communicating the SDGs can be difficult, especially when it is unclear how these goals will impact the lives of those affected.
- Capitalize on key moments to make the most of funds: even without large-scale funding, small allocations at the right moment can make a big impact.
- Learn from peers through fragile-to-fragile co-operation: this describes the support that countries in fragile settings can provide to each other as they transition to stability.

Source: Chan, C., and L. Wenz (2022), "Lessons learned in SDG implementation in fragile and conflict affected situations", UNDP, New York.

1.7 ► EFFECTIVELY TACKLING GLOBAL CHALLENGES

TODAY'S GLOBAL CHALLENGES ARE INTERLINKED AND REQUIRE SCALED-UP INTERNATIONAL, MULTILATERAL, MULTI-STAKEHOLDER CO-OPERATION IN THE INTERESTS OF GLOBAL STABILITY, INCLUDING THROUGH DEVELOPMENT CO-OPERATION AND GOOD MULTILATERAL DONORSHIP. INTERCONNECTED GLOBAL CHALLENGES HAVE COMPLEX IMPLICATIONS WHEN IT COMES TO RECONCILING THE INCREASED NEED FOR INVESTMENT IN GLOBAL PUBLIC GOODS WITH MAINTAINING DIRECT SUPPORT TO PARTNER COUNTRY PRIORITIES, IN LINE WITH THE COUNTRY OWNERSHIP PRINCIPLE.

Development partners are channelling increasing shares of development co-operation through the multilateral development system. This shift reflects the growing focus on global and regional public goods and support for emergencies (humanitarian aid and support to refugees in donor countries).¹⁵

Indeed, as during the 2008 crisis, the scale and speed of multilateral development banks' response mean they have played an important countercyclical role throughout the COVID-19 pandemic, with particularly strong support for LDCs. **The relevance of the multilateral systems in addressing today's global challenges calls for a renewed emphasis on the effectiveness of their interventions** (see box 6).

Box 7 ► The importance of global solidarity, coordination and coherence for more effective multilateral responses to global crises

COVID-19 illustrated the importance of coordination and co-operation across the multilateral system in addressing complex challenges that cannot be confined within the borders of individual countries. Multilateral organizations have played an indispensable, albeit insufficient, role in responding to the pandemic, delivering life-saving vaccines, technical assistance and concessional finance to low- and middle-income countries.

¹⁵ | World Bank (2021), A Changing Landscape: Trends in Official Financial Flows and the Aid Architecture, World Bank, Washington, <https://thedocs.worldbank.org/en/doc/9eb18daf0e574a0f106a6c74d7a1439e-0060012021/original/AChanging-Landscape-Trends-in-Official-Financial-Flows-and-the-Aid-Architecture-November-2021.pdf>

However, there is a large gap between how coordination takes place throughout the multilateral system and how it is expressed at the country/regional level. Multilateral organizations often develop their strategies and activities in silos, making recipient governments or local donor coordination mechanisms responsible for ensuring complementarity and coordination among their interventions. At the global level, at the onset of the crisis, limited coordination on vaccine financing resulted in multilateral development banks establishing their own vaccine facilities, which were underutilized, while COVAX was underfunded.

For the world to be better prepared for future crises and to build back better now, we need to embrace a renewed multilateralism, based on a more effective, inclusive approach. To strengthen multilateral organizations' ability to respond to global challenges, the power of shareholders/Member States needs to be leveraged to influence institutions' governance structure towards incentivizing desired behaviour.

Furthermore, explicit information needs to be provided on how multilateral system initiatives align with country-level priorities and national governments' capacities for coordinating activities implemented by multilateral organizations and bilateral donors, especially during a crisis.

Source: MOPAN (forthcoming), Lessons in Multilateral Effectiveness: COVID-19; Inter-Agency Task Force (2022), Financing for Sustainable Development Report: Bridging the Finance Divide, New York, United Nations, <https://developmentfinance.un.org/fsdr2022>



Facilitating learning and dialogue between the multilateral system and bilateral donors who deliver a significant share of their development co-operation through the multilateral system, for more flexible and predictable support.

Constituency Message
Multilateral System

At the same time, much of the ODA funding and new sources of multilateral system financing are scattered and piecemeal. There has been an increase in the number of multilateral organizations and funding vehicles, which leads to some fragmentation and countries pursuing “à la carte” multilateralism.¹⁶ This **incentivizes the delivery of project-based interventions and jeopardizes the ability of the multilateral system to provide transformative, holistic and integrated solutions to achieve the 2030 Agenda**. It further raises questions about how the system needs to be reformed to mitigate and tackle shared threats, most notably climate change.¹⁷

¹⁶ | OECD (2020), Multilateral Development Finance 2020, OECD Publishing, Paris, <https://doi.org/10.1787/e61ffd00-en>
¹⁷ | OECD (2020), Development Co-operation Report 2020: Learning from Crises, Building Resilience, OECD Publishing, Paris, <https://doi.org/10.1787/f6d42aa5-en>

There are clear linkages between the development effectiveness principles and the decisions and processes to guide international climate action.¹⁸

However, a complex international climate finance architecture and persistent capacity gaps at the country level limit the potential contribution of climate-related development finance to achieving the 2030 Agenda. The multitude of partnerships stretches the administrative capacity of countries and multilateral organizations.

Delivery systems are currently burdensome and fragmented: the effectiveness principles remain vital to achieving more effective bilateral and multilateral climate action.

There are also challenges around supporting countries with knowledge, capacity-building and partnerships, which require consolidated action, integrated approaches, coordination and collaboration within the multilateral system.¹⁹ This chimes with experiences from Jordan, Rwanda and Indonesia that demonstrate a need for: (i) a more integrated, pragmatic approach to improving the enabling environment for climate action that is in line with national priorities; and (ii) country-driven and country-specific strategies for ensuring climate finance and country priorities go hand-in-hand.²⁰

The Action Dialogue in the **Dominican Republic focused on greater efforts towards post-pandemic recovery** and progress on the 2030 Agenda. The **country's high exposure to the risks of climate change calls for effective development co-operation** to be enhanced through a robust international co-operation system. The Dominican Government is fiercely committed to raising the principles of effectiveness and has created space for the coordination of international co-operation and dialogue mechanisms under the framework of the National System for International Development Co-operation. These include the High-Level Coordination Panel for International Co-operation, which facilitates political dialogue between the co-operation community and the Government and defines co-operation policies at the highest level.

The diverse partners engaged in the GPEDC have rich practical experience in how to apply the effectiveness principles.

Their experiences can inform the design of a coherent international approach to mitigating today's global challenges, which include climate change, health threats, conflict and widening inequalities.

Among other things, the GPEDC provides a platform for mutual learning and dialogue among peers on good multilateral donorship²¹ and how the effectiveness principles can offer solutions to some of the well-known challenges to more effective co-operation that bear on the international response to global challenges.

Multilateral organizations can draw on these experiences to bring about more strategic engagement of their shareholders by creating the right incentives for leveraging their potential to tackle shared threats effectively.

¹⁸ | Zou and Ockenden (2016). "What enables effective international climate finance in the context of development co-operation?". OECD Development Co-operation Working Paper 28, OECD Publishing, Paris, <https://doi.org/10.1787/5j1wjg92n48x-en>

¹⁹ | MOPAN (2021), Lessons in Multilateral Effectiveness. Pulling Together: The Multilateral Response to Climate Change, OECD Publishing, Paris, https://www.mopanonline.org/analysis/items/MOPAN_MLE_CC_Brief_web.pdf

²⁰ | NDC Partnership (2022), Preconditions for Effective Climate Finance: A Pyramid Approach Based on Existing Effectiveness Frameworks and Lessons Learned, Discussion Paper.

²¹ | "Good multilateral donorship" is about how sovereign states and providers in general engage with and influence multilateral organizations, including through their role in the governing bodies of these organizations, their policies and their financing.

SECTION 2

**MULTI-
STAKEHOLDER
APPROACHES TO
STRENGTHENING
DEVELOPMENT
CO-OPERATION
PARTNERSHIPS**



ACTION TOWARDS MORE EFFECTIVE DEVELOPMENT CO-OPERATION IS INFORMING HOW COUNTRIES BUILD PARTNERSHIPS. THIS REQUIRES TAILORED APPROACHES TO PUTTING INCLUSIVE PROCESSES IN PLACE FOR DIALOGUE AND ACTION THAT ARE IN LINE WITH COUNTRY CONTEXTS.

In 2015, world leaders adopted the Addis Ababa Action Agenda (Addis Agenda) at the United Nations Third International Conference on Financing for Development. **The Addis Agenda created a holistic framework for financing sustainable development and recognized the importance of the GPEDC as a complementary forum to this end.** However, as expressed at the latest United Nations Economic and Social Council forum on financing, **mobilizing sufficient financing remains a major obstacle to implementing the 2030 Agenda for Sustainable Development, and that progress has not been shared evenly within and among countries, which has further deepened existing inequalities.**



EFFECTIVELY MOBILIZING ALL TYPES OF DEVELOPMENT FINANCE IN LINE WITH NATIONAL PRIORITIES REQUIRES AN UNDERSTANDING OF COUNTRY-SPECIFIC FINANCING CHALLENGES AND OPPORTUNITIES AND THE ROLE OF DEVELOPMENT CO-OPERATION IN THIS BROADER PICTURE.

In addition, **the unprecedented policy measures that helped economies around the world recover from the paralysis of the COVID-19 pandemic have been asymmetric** in their effects and short-term in scope, adding new challenges to an already strained policy environment. Long-standing structural problems, new geopolitical risks, macroeconomic tightening in the North and a general weakening of multilateral rules and practices are conspiring to stymie growth across developing economies, particularly those that are closely integrated into the global financial system. This will not only endanger their already-fragile recovery but also undermine their long-term development.

As countries look to recover from the effects of the pandemic and accelerate progress towards national sustainable development objectives, financing is central to the equation. Ministries of finance and planning and actors across the public and private sectors have recognized the need to **adapt the way that they finance national sustainable development pathways** within this context.

Developing **Integrated National Financing Frameworks (INFFs), establishing South-South and triangular co-operation (SSTC) partnerships and strengthening engagement with the private sector and civil society** all provide opportunities to do so.

2.1 ► INTEGRATED NATIONAL FINANCING FRAMEWORKS

INFFS ARE A KEY INSTRUMENT FOR BETTER APPLYING THE EFFECTIVENESS PRINCIPLES ACROSS NATIONAL DEVELOPMENT CO-OPERATION PARTNERSHIPS. THEY COVER THE FULL RANGE OF FINANCING RESOURCES, SUPPORT THE BRIDGING OF SHORT-TO LONGER-TERM PLANNING, AND PROVIDE MEASURES FOR ADDED TRANSPARENCY AND COLLECTIVE ACCOUNTABILITY.

In the past decade, one significant challenge to implementing national development strategies has often been the lack of costed accompanying financing strategies. Countries that did have a financing strategy often focused solely on public finance, disconnected from leveraging the potential role of private finance in driving sustainable development. However, **many countries are now using INFFs to successfully implement the Addis Agenda and plan the necessary financial means to realize their respective sustainable development priorities.** Currently, 86 countries are developing INFFs across all development settings. They are putting in place stronger new financing strategies to integrate financing with the SDGs.²²

Using this approach allows these countries to form **holistic, integrated financing strategies that enable them to mobilize and align both public and private finance to achieve medium-term development and recovery plans.** Across the public and private sectors, governments are establishing dialogue and collaboration platforms. Moreover, they are advancing hundreds of policy reforms to develop a more sustainable financing architecture and maximize investment in sustainable development.²³

INFFs push forward effective development co-operation principles through four building blocks, many of which are directly linked to the GPEDC and tracked by its monitoring exercise (see table1). These are related to inclusive and accountable governance and coordination



The INFF Facility was established to support countries in the development of their INFFs, as key mechanisms towards great development effectiveness. It is a joint flagship initiative of the United Nations Development Programme (UNDP), the United Nations Department of Economic and Social Affairs (UN DESA), the OECD, the European Union (EU) and the Governments of Italy and Sweden.

²² | INFF Facility (2022), The State of Integrated National Financing Frameworks in 2022, INFF Facility, New York, https://inff.org/assets/resource/state-of-inffs-2022_report.pdf

²³ | INFF Facility (2022), The State of Integrated National Financing Frameworks in 2022, INFF Facility, New York, https://inff.org/assets/resource/state-of-inffs-2022_report.pdf

systems, strengthening national capacities and PFM, linking financing strategies to national development priorities and ensuring robust monitoring. There are opportunities for building on existing governance systems for effective development co-operation in developing and implementing INFFs and tracking progress on the implementation of these. As part of the process of developing INFFs, results from previous GPEDC monitoring rounds have provided baseline data on development effectiveness targets.

Table 1 ► Linkages between the INFF’s four building blocks and the effectiveness principles.

INFF BUILDING BLOCK	RELATED EFFECTIVE DEVELOPMENT CO-OPERATION PRINCIPLES
GOVERNANCE AND COORDINATION MECHANISMS	<p>Country ownership: Partner countries develop and implement inclusive, country-owned national development strategies. Development partners use and strengthen national and local planning, coordination and financing systems.</p> <p>Inclusive partnership and transparency and mutual accountability: Partner countries establish inclusive governance and coordination mechanisms.</p>
ASSESSMENT AND DIAGNOSTIC	<p>Focus on results and transparency and mutual accountability: development co-operation seeks to achieve measurable results that are informed by publicly available country diagnostics.</p>
FINANCING STRATEGY	<p>Country ownership and inclusive partnership: partner countries link the national development strategy to implementation resources. Development partners align to national financing strategies and priorities.</p>
MONITORING, REVIEW AND ACCOUNTABILITY	<p>Focus on results: Partner countries develop and implement country results frameworks. Development partners use and support national statistical capacity to track implementation progress of national development and financing strategies.</p> <p>Transparency and mutual accountability: Development partners provide medium-term forward expenditure and/or implementation plans. All development actors use existing country level monitoring and evaluation systems to assess progress towards mutually agreed targets.</p>



Make available innovative avenues for co-operation at the country level by providing alternative sources of financing, sharing experiences and networks to better respond to pressing challenges.

Constituency Messages Philanthropy

Country ownership is one of the key principles of effective development co-operation promoted by the GPEDC. It is a hallmark of the INFFs and is seen as imperative for them to remain a voluntary endeavour without any form of conditionality. Countries are taking ownership of INFF processes through diverse mechanisms appropriate to national contexts. **As frameworks designed to influence public and private financing, INFFs are seen as most effective when built around a whole-of society approach that connects with existing dialogue platforms and brings public and private stakeholders together.** Governments in more than 70 percent of countries have expanded the function of an existing committee or structure to incorporate the INFF oversight committee, while other governments have established new structures for them. For example, in Lao PDR, a financing strategy to implement the National Socio-Economic Development Plan has been developed within the framework of the country’s INFF through its existing national development coordination mechanism.²⁴

During Rwanda’s Action Dialogue, **there was a recognition of the need to diversify development finance flows and align these to national development priorities.** The pandemic has demonstrated the need to mobilize new streams of support from various channels. This includes innovative financing, climate finance, domestic and international impact investors and corporate funders, and philanthropic resources.

In light of this, Rwanda has actively diversified its sources of external development finance and has been steadily growing the volume of external funding from philanthropy and private investment to complement its own domestic revenue mobilization efforts. At the same time, the **limits of public investment in the recovery from the pandemic provide an unparalleled opportunity to expand the participation of private organizations and CSOs under new partnership models.**

Accordingly, Rwanda is developing an INFF to ensure fiscal sustainability, promote stronger policy coherence for sustainable development and provide the necessary tools to reach national priorities and achieve the SDGs. The INFF will also help to engage the private sector in driving Rwanda’s economic development by supporting the development of tools and guidelines to align private sector investments with national priorities and the SDGs.

²⁴ | INFF Facility (2022), The State of Integrated National Financing Frameworks in 2022, INFF Facility, New York, https://inff.org/assets/resource/state-of-inffs-2022_report.pdf

Box 8 ► The INFF in Rwanda

In Rwanda, the National Strategy for Transformation (NST) set an ambitious target of achieving average growth of 9.1 percent per year up to 2024, leading towards the longer-term objective of becoming an uppermiddle- income country by 2035.

Achieving these targets will require significant increases in financing, with a particular emphasis on boosting foreign private investment and mobilizing domestic savings to fund investment. Within this context, the INFF is being used to bring together, bolster and pilot a diverse array of initiatives designed to boost private-aligned SDG financing in line with NST targets and guided by the NST Steering Committee.

The INFF is being used to create a framework to promote private investment in NST priorities that enhances the sustainable development impacts of existing sources while also exploring new financing models. There is a major focus on socially responsible investing for corporations, building on the country's small but rapidly growing capital markets and linked to the 10-year capital market development strategy. The INFF is being used to identify, bring together and put in place frameworks, regulations and compliance procedures for responsible, green investments that will position Rwanda for new investment and asset management vehicles.

A green investment facility is being explored, feasibility studies have been completed for a blended financing facility, and work is under way to develop an inaugural private green bond. A sustainable finance road map is being developed as part of the Kigali International Finance Center initiative. These initiatives aim to pioneer, provide proof of concept and ultimately lay the foundations for the growth of new markets in these areas.

Systems for tracking private and public expenditure in relation to NST targets are also being strengthened and put in place. These include the development of climate tagging and tracking systems that will monitor relevant public spending and climate finance flows in the private sector. The INFF is also being used to uplift and build further momentum around existing initiatives such as the Gender Equality Seal, which uses a certification programme to promote women's empowerment in private companies in collaboration with private sector foundations.

While there is a major focus on boosting private finance that is aligned with NST objectives, these efforts are taking place alongside work to expand fiscal space through a medium-term revenue strategy supported by the International Monetary Fund (IMF), while strengthening management capacities and increasing the accountability of budgetary expenditure in relation to NST priorities.

In these ways, the INFF is helping the government to bring together and promote a range of existing initiatives and introduce and pilot new market-building activities. These reforms will contribute significantly towards mobilizing, leveraging and aligning the private and public investment needed to meet the financing needs of the NST.

2.2 ► SOUTH-SOUTH CO-OPERATION AND TRIANGULAR CO-OPERATION



Enhance the effectiveness of South-South and triangular co-operation by continuing to increase their respective mutual accountability and transparency, in accordance with national development plans and priorities, and encourage relevant partners to further enhance development effectiveness and assess their impact.

Constituency Message
Dual Character Countries



SOUTH-SOUTH CO-OPERATION AND TRIANGULAR CO-OPERATION ARE KEY TO COMPLEMENTING PARTNERING MODALITIES TO FOSTER GREATER COUNTRY-LEVEL OWNERSHIP OF DEVELOPMENT CO-OPERATION

The Second High-level United Nations Conference on South-South Co-operation, held in 2019, marked the 40th anniversary of the Buenos Aires Plan of Action for Promoting and Implementing Technical Co-operation among Developing Countries (BAPA+40). Paragraph 11 of its outcome document acknowledged “the need to enhance the development effectiveness of South-South and triangular co-operation”.²⁵ In addition, BAPA+40 noted that the past few decades have brought an expansion in the number of stakeholders that are actively engaged in development work and supporting South-South co-operation (SSC) initiatives. While government representatives stressed that SSC is not a substitute for North-South co-operation but instead complements this, they have also acknowledged that SSC has gradually been institutionalized and incorporated into policymaking approaches by some countries and regions.

Furthermore, paragraph 25 of the BAPA+40 outcome document encourages developing countries to put country-led systems in place to evaluate and assess the quality and impact of SSTC, improve data collection and develop methodologies and statistics.²⁶ As part of its efforts to provide cutting-edge data in the context of the 2030 Agenda, the GPEDC is supporting country-led efforts to measure the effectiveness of SSC, responding to the call from BAPA+40 to enhance the development effectiveness of this co-operation modality. In its capacity as leader of GPEDC Action Area 2.3 and building upon the technical foundations provided by Mexico through the 2018 SSC indicators, **Colombia** led the implementation of a pilot exercise to measure SSC. This process resulted in a blueprint for a multidimensional index that countries can use to self-assess the effectiveness of SSC.

²⁵ | United Nations, General Assembly (2019), Buenos Aires Outcome Document of the Second High-Level United Nations Conference on South-South Co-operation, A/RES/73/291, 30 April, <https://www.unsouthsouth.org/wpcontent/uploads/2019/10/N1911172.pdf>

²⁶ | United Nations, General Assembly (2019), Buenos Aires Outcome Document of the Second High-Level United Nations Conference on South-South Co-operation, A/RES/73/291, 30 April, <https://www.unsouthsouth.org/wpcontent/uploads/2019/10/N1911172.pdf>

Box 9 ► The SSC Effectiveness Self-Assessment Tool

The SSC Effectiveness Self-Assessment Tool was developed through a pilot experience in 2021-22. Seven partner countries tested the preliminary tool: Bangladesh, Cape Verde, Colombia, El Salvador, Mexico, Kenya and Indonesia. The tool, which is currently being validated, comprises a questionnaire containing 61 questions organized into four modules, which correspond to each of the effectiveness principles. The questionnaire analyses data on the regulatory aspects of development co-operation, information management practices, accountability, and the active involvement of stakeholders, under an SSC framework. The tool is currently expected to be answered by Southern partner countries on a voluntary basis. It will be adjusted to the reformed GPEDC monitoring framework over the medium and long term, and a wider grouping of partner countries will be invited to review their practices and update the country profiles in the GPEDC knowledge platform.

Colombia has recently joined the OECD as an Upper Middle-Income Country, partly due to its positive macroeconomic indicators. Nevertheless, it continues to face economic, social, political and environmental challenges. These circumstances are conceptualized as “development in transition” and are shared by many other countries in Latin America that have “graduated” in economic terms but remain trapped in development gaps. To address these challenges, Colombia seeks to become an international leader in innovative approaches to co-operation management. This initiative is grounded in the conviction that the exchange of knowledge by sharing best practices (a key dynamic of SSC) is the best mechanism for solving common development challenges. To this end, Colombia led its first Action Dialogue to discuss the current status of methodologies designed to measure and quantify SSC and to reflect on what needs to be adjusted or improved to increase the effectiveness of SSC. During this multi-stakeholder dialogue, it was recognized that **Colombia’s Knowledge Management Hub on SSC has the potential to build state-of-the-art concepts and methodological tools that will continue to expand the frontier of knowledge on technical co-operation.** This initiative will help key partners and development actors build their capacities by sharing best practices and lessons learned.

Colombia’s strategy to account for the added value of SSC uses a value-adding model that assigns scores to achievements in five different categories: visibility, knowledge, partnership relations, a differential approach and contributions to progress on SDGs. The monitoring tool assesses actions across three phases of SSC: before, during and after execution.

Participants in the Action Dialogue also highlighted that the **SSC should**

not only seek to exchange knowledge between Southern countries but should also tackle other challenges related to human development, democracy and participation. Addressing these challenges will require a focus on public-private-people partnerships. Building on regional networks and seeking social and economic commonalities were also highlighted as key opportunities. The dialogue further emphasized how traditional international co-operation efforts focus primarily on ODA while often overlooking SSTC, which holds significant value for countries in the Global South and represents a legitimate contribution to international development.

A key outcome from Colombia’s first Action Dialogue included the launch of the Community of Practice on Measurement and Quantification of SSC, which Colombia will lead. The community will be comprised of public, private, social and academic stakeholders from around the world. Its objective is to exchange knowledge on quantification methods and metrics for assessing SSC while recognizing the valuable work already developed by national and international partners.

Peru’s Action Dialogue reflected on the various challenges and opportunities of multi-stakeholder development partnerships, highlighting key initiatives and lessons learned at the country level. Participants recognized the value of SSTC, and the outcome document committed to recommendations to **“generate policies or improve regulatory and conceptual frameworks that promote multi-stakeholder partnerships in Peru and also within other international co-operation modalities, such as SSTC”.**

Box 10 ► Key findings from the Global Partnership Initiative on Effective Triangular Co-operation case studies on implementing voluntary guidelines in Colombia, South Africa and Indonesia.

Triangular co-operation harnesses the complementary strengths of different partners to arrive at co-created development solutions. To make triangular co-operation more effective at both the political and the operational levels, the Global Partnership Initiative established a set of voluntary guidelines to ground the modality in effectiveness and to provide support in implementing impactful triangular co-operation projects. The guidelines consist of nine components, including country ownership and demand-driven co-operation, which emphasize the importance of partner country ownership and alignment with countries’ national development priorities, in line with the SDGs.

The case studies for Colombia and Indonesia highlighted how integrating triangular co-operation activities into national and local development plans/strategies is key to ensuring and consolidating partner countries’ ownership. The case study for South Africa showed that partner countries’ participation in the governance framework of the programme at both the decision-making and operational levels enhances the beneficiaries’ ownership of the programme in different stages.

2.3 ► EFFECTIVE PRIVATE SECTOR ENGAGEMENT

IMPROVING PARTNERSHIPS WITH THE PRIVATE SECTOR BY USING THE KAMPALA PRINCIPLES CAN AMPLIFY THE TRANSFORMATIVE POWER OF EFFECTIVE PRIVATE SECTOR ENGAGEMENT TO DELIVER THE SDGS AND ENSURE THAT NO ONE IS LEFT BEHIND.

After the adoption of the 2030 Agenda, the international community had high expectations for the private sector's role in achieving the SDGs and tackling climate change. **The private sector is a tremendous source of technical expertise, innovation and diverse resources and networks to address what are genuine development problems.** Profit is the private sector's main driver, but **development co-operation can ensure that the sector also focuses on those furthest behind.** A dual-purpose strategy like this is sometimes difficult to develop and depends on the specific interests of partners in any given context. In many cases, projects with the private sector do not adequately target populations or sectors in a way that will have the greatest impact on people's day-to-day lives. Although businesses have a large pool of financial resources that can be tapped into, the private sector has not been able to close the SDG financing gap and shift ODA from billions to trillions in total development financing.

The GPEDC reviewed over 900 development projects involving the private sector²⁷ and detected considerable **shortcomings in explicit targeting and the focus on results.** For instance, only 12 percent of 240 projects in Bangladesh explicitly target the poor or people living in underserved or rural locations.²⁸ In Egypt, results frameworks were only available for 36 percent of projects, and just 10 percent of projects provided information on actual results.²⁹

A series of Community of Practice events with the UNDP Business Call to Action identified the bottlenecks that hinder businesses from flourishing in private sector engagement (PSE) partnerships with donors,

partner country governments and other actors. The bottlenecks that participants mentioned include cumbersome donor procedures, a high reporting burden for development results, government bureaucracy, misunderstandings around partners' interests and incentives, a lack of adequate risk-sharing mechanisms, businesses' limited involvement in developing national development plans, a misalignment in commercial viability and development impact, and problems accessing PSE opportunities for actors with fewer capacities.

The Kampala Principles are a set of five mutually reinforcing and interrelated principles for all stakeholders involved in PSE. They apply not only to the private sector but also to governments, development partners, civil society and trade unions.

► THE KAMPALA PRINCIPLES AND THEIR RESONANCE IN ACTION DIALOGUES



1

INCLUSIVE COUNTRY OWNERSHIP

Strengthening co-ordination, alignment and capacity building at the country level



2

RESULTS AND TARGETED IMPACT

Realising sustainable development outcomes through mutual benefits.



3

INCLUSIVE PARTNERSHIP

Fostering trust through inclusive dialogue and consultation



4

TRANSPARENCY AND ACCOUNTABILITY

Measuring and disseminating sustainable development results for learning and scaling up of successes



5

LEAVE NO ONE BEHIND

Recognising, sharing and mitigating risks for all partners

²⁷ | In Bangladesh, Egypt, El Salvador and Uganda (half of them blended finance projects).

²⁸ | GPEDC (2018), Private Sector Engagement Through Development Co-operation in Bangladesh | Case Study, GPEDC https://www.effectiveco-operation.org/system/files/2019-04/Bangladesh_Country_Report.pdf

²⁹ | GPEDC (2018), Private Sector Engagement Through Development Co-operation in Egypt | Case Study, GPEDC <https://www.effectiveco-operation.org/content/private-sector-engagement-through-development-co-operation-egypt>



Trade unions ensure workers' voices are heard by driving inclusive national policies and development programmes

Constituency Message
Trade Unions

The prerequisites for effective private sector partnerships are **inclusive country ownership** of PSE goals and activities (**principle 1**), adequate policies and alignment to these and the capacity of development actors to engage in private sector partnerships. In the Action Dialogue in **Togo**, greater country ownership and alignment of PSE activities with national priorities was raised as a priority, despite recent improvements.³⁰ To achieve this, the private sector representatives committed to strengthening their alignment with national priorities. They also called on the Government to address their request to improve the enabling environment for business to strengthen their engagement in implementing the national development strategy, improving mutual trust and alignment.

During the Action Dialogue in **Peru**, the country presented a set of recommendations, which included **“promoting the implementation of the Kampala Principles for the effective participation of the private sector in development co-operation, within the framework of Peru’s commitments to the Effectiveness Agenda and the GPEDC”**. Participants highlighted how the business community could provide or amplify the mobilization of additional resources for development interventions and contribute with their technical expertise or technological capabilities. However, it was pointed out that multi-stakeholder partnerships must be built under certain criteria: (i) actions must pursue development objectives; (ii) there must be additionality of resources; and (iii) interventions must comply with basic social, environmental and human rights standards, in line with the United Nations guiding principles on business and human rights.

On the topic of **inclusive partnerships (principle 3)**, the Action Dialogue in **Colombia** presented its Strategy for Multi-Stakeholder Partnerships for Sustainable Development. This initiative seeks to bring different actors, including the private sector, closer to high-impact projects that contribute to national development priorities and make progress on sustainable development. Similarly, the Action Dialogue in **Peru** concluded with a call for “improving dialogue, articulation and consensus processes between the public and private sectors in order to find common interests, generate synergies and implement joint actions”. During its Action Dialogue and in its road map for action, **Honduras** committed to sustaining participatory, inclusive dialogue to strengthen trust and promote partnerships with the private sector. This approach seeks to generate decent jobs for women, migrants, people with disabilities and other vulnerable groups that often operate within the informal economy.

³⁰ | These include the establishment of the state-private sector consultation framework to facilitate the alignment of the private sector’s activities with national priorities and a technical committee by the Ministry of Economy and Finance to operationalize strategic decisions.



The private sector has the critical role of creating jobs that lift people out of poverty and make societies more just and sustainable while making financing and investment opportunities available.

Constituency Message
Private Sector



The Kampala Principles Case Study commissioned by the GPEDC Business Leaders Caucus in **Uganda** established **greater transparency and accountability (principle 4)** as a good practice.³¹ The Ugandan Government, the International Fund for Agricultural Development (IFAD), the association of oil palm farmers in Uganda’s Kalangala District and the multinational software company SAP partnered to enable smallholder farmers’ digital inclusion and integration into regional agricultural value chains.

After the Ugandan Government acquired land and set up the framework for this initiative in co-operation with IFAD, SAP provided its Rural Sourcing Management solution. This tool enables farmers to connect to buyers digitally, access real-time information on palm oil prices and transactions and handle payments. While this digital technology helped farmers track and manage their farming activities, it also improved transparency on project progress and results. With IFAD functioning as the project funder and broker between the Government, the farmer cooperative and private investors, mutual accountability was achieved through a clear tripartite agreement and close relationships between all parties.

During the Action Dialogue in **Indonesia**, there was a discussion on monitoring and evaluation mechanisms to measure progress and ensure transparency by capturing not only the amount of money contributed but also other non-financial contributions, including technical expertise from micro, small and medium enterprises. Participants from the public and private sectors and civil society endorsed these ambitions for PSE initiatives in the country.

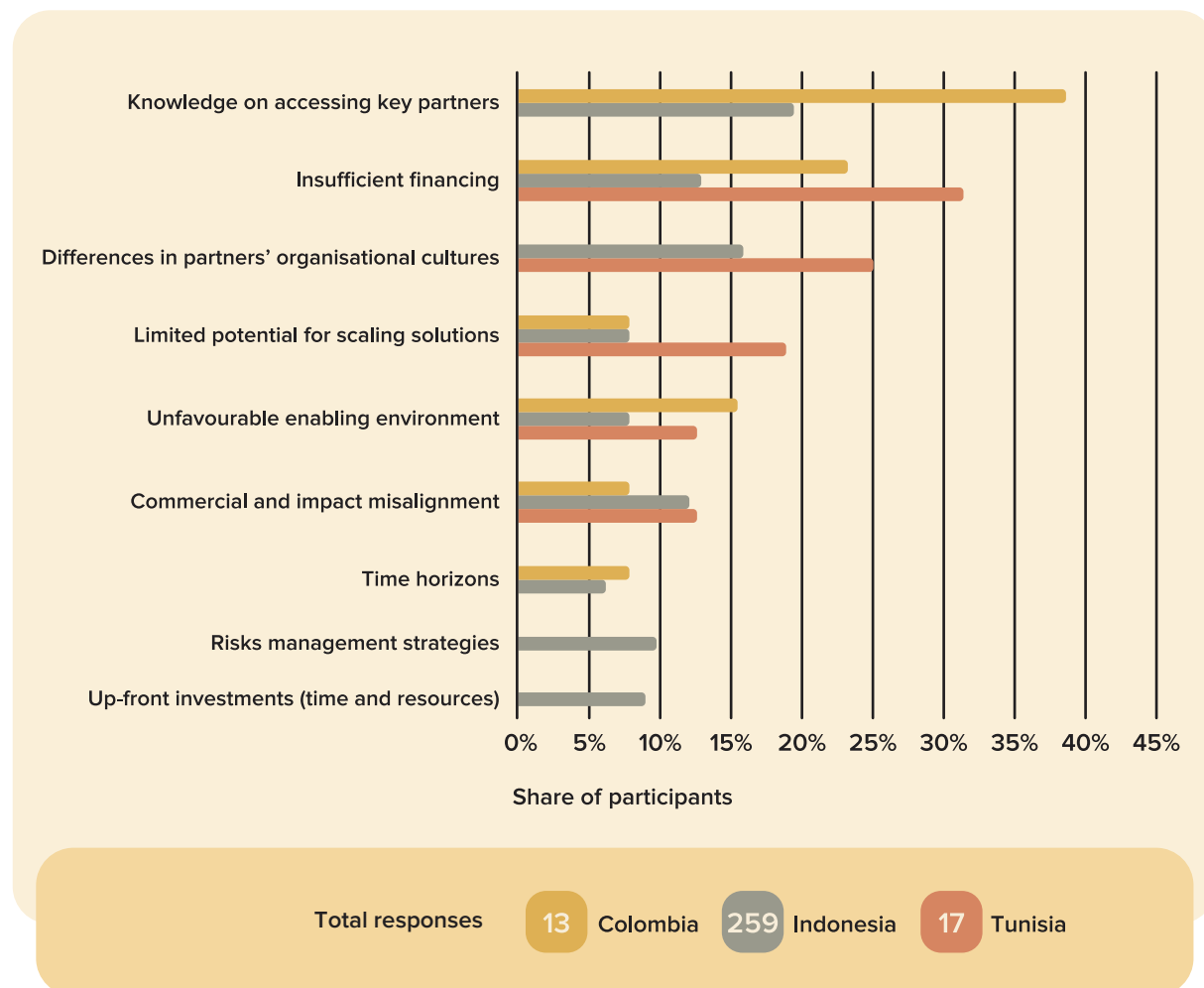
Leaving no one behind (principle 5) concerns adequate targeting and risk-sharing in PSE projects. In the Community of Practice webinars, businesses highlighted the importance of allocating political and operating risks to the parties best positioned to manage specific risks. Risk-sharing is of particular importance in fragile contexts and when targeting communities furthest behind, as businesses tend to be more risk-averse in these settings. The Kampala Principles and the Kampala Principles Toolkit offer practical guidance and recommendations to this end. Another consideration on how to enable a strong focus on leaving no one behind was mentioned during the Action Dialogue in **Indonesia**. The engagement of CSOs in PSE projects was highlighted as a mechanism to ensure an inclusive, participatory approach to development co-operation from this perspective. For example, CSOs have supported the private sector by providing training to put more inclusive working environments in place and better integrate people living with disabilities into the workforce.

³¹ | TGPEDC (2021), Enabling the Digital Inclusion of Smallholder Farmers in Uganda: A Kampala Principles Case Study, <https://www.effectivecooperation.org/ugandakpcasestudy>



During the Action Dialogues in **Colombia, Indonesia and Tunisia**, surveys were conducted to understand key obstacles to participants engaging in development co-operation projects (see figure 1). The polls revealed that most stakeholders in Colombia and Indonesia do not know how to access key partners when they consider participating in a development co-operation project. Insufficient financing of PSE activities was raised as another challenge common to all three countries.

Figure 1 ► Challenges to engaging in development co-operation partnerships—Action Dialogues in Colombia, Indonesia and Tunisia.



In addition to the poll results, several practical challenges on the ground were raised during the Action Dialogues in these three countries. The Indonesian Government noted that attracting and involving private sector actors in development co-operation projects is challenging due to discrepancies between government policies and private sector interests. During the Action Dialogue in Colombia, the private sector condemned the limited space for training, socialization and networking. In Tunisia, small businesses in the technology sector noted the lack of legal frameworks for forming public-private partnerships. While there is a bottom-up process between the private sector and the Government to formulate laws and regulations, this process is time-consuming and inefficient, hindering businesses from engaging in development co-operation activities in general.

In sum, **the private sector's potential remains unquestioned, but the realization of effective partnerships is complicated by several practical challenges.** The Kampala Principles offer solutions to these issues by bringing all key insights for more effective partnering and serving as a guide for future action to deliver better at the country level. The five mutually reinforcing principles can ensure greater alignment behind development priorities and inform conversations at the country level. The Action Dialogues and Kampala Principles Case Studies by the Business Leaders Caucus illustrate how the application of each of the five principles plays out. The Global Partnership has developed a specific assessment methodology to monitor the implementation of the Kampala Principles as part of the GPEDC's flagship monitoring exercise. The Kampala Principles Toolkit supports the implementation of the Kampala Principles and helps take action by building on the evidence generated by the assessment. In addition, the **Kampala Principles Private Sector Implementation Guidance Note** was developed to support the adoption of the Kampala Principles in business practices and multi-stakeholder partnerships in collaboration with the Business Call to Action.

2.4 ► ENABLING CIVIL SOCIETY



Given the significant impacts of the new challenges at the global level, CSOs call for countries to engage in whole-of society approaches in addressing climate change and economic shocks.

Constituency
Message CSOs

MORE EFFECTIVE PARTNERSHIPS WITH CIVIL SOCIETY ORGANIZATIONS ARE AN ESSENTIAL CONDUIT TOWARDS ACHIEVING IMPACT THAT MATTERS FOR THE MOST MARGINALIZED.

CSOs play a critical part in identifying who is being left behind, undertaking programmes to support them, filling data gaps and advocating for groups that are not otherwise seen or heard.³² Their linkages with different types of communities and their direct engagement with the people that benefit from development co-operation put them in an ideal position for identifying those left behind. The pandemic illustrated how civil society is a vital part of the social fabric and a source of resilience in times of crisis.³³ CSOs were at the forefront of mobilizing compassion and putting humanitarian values into practice to provide practical help, share vital information and hold States to account for their decisions.

Upfront engagement with partner country CSOs leads to better development results through a more nuanced understanding of the local context for development co-operation interventions. This results in projects being designed and implemented in ways that align with local realities, rather than being based on the assumptions or aspirations of a development partner. Politically informed context analysis supports development interventions tailored to the local context by precisely identifying the sources of exclusion of a particular group in a particular context, along with the key agents of change for inclusion work.

CIVIL SOCIETY FACES EVER-GROWING CHALLENGES, SUCH AS SHRINKING CIVIC SPACE, ATTACKS ON HUMAN RIGHTS AND RISING AUTOCRATIZATION.

Despite civil society's clear contributions to sustainable development outcomes, **civic space across the world remains under constant pressure.** An increasing share of the global population lives under autocratic regimes or in countries with decreased civic space, which poses challenges to how

development actors deal with those countries' governments.³⁴ Currently, 68 percent of the world's population live in autocracies, compared to 48 percent in 2010. Diminishing respect for human rights and democracy around the globe and rising autocratization are eroding freedoms like peaceful assembly, association and expression. This poses a real threat to civil society, civic space and civic engagement in general.³⁵

The COVID-19 pandemic and the restrictive measures to contain it created acute **challenges to civil society's conventional resourcing and organizing approaches.** These challenges ranged from the suspension of large group activities to a decrease in international funding to sectors other than health.

Structural obstacles to more effective engagement with CSOs also persist at the country level. The GPEDC multi-stakeholder dialogue in Bangladesh stressed the importance of strengthening civil society coordination mechanisms and shared learning and enhancing their inclusion in government policymaking.³⁶

Common limitations to engagement with CSOs include legal and regulatory parameters, limited civil society engagement in policy dialogues and appropriate funding structures.³⁷ **These challenges point to how critical it is to ensure that partner country CSO actors are involved in decision-making based on equal power relations. Investments are also needed to strengthen the capacity of partner country civil society to be catalytic drivers of change.**

The policies and practices of how development actors engage with civil society have a strong bearing on CSOs' development effectiveness. Financial support tends to be project- and/or programme-based support rather than framework and core support to CSOs. As a result, CSOs experience development partners' financial support as short-term, overly directive and conditioned on Member-defined priorities.³⁸

³⁴ | Situations where the government or de facto authorities are not recognized by DAC members or the "international community" pose specific challenges. In those contexts, humanitarian assistance is used as one of the main vehicles, because humanitarian assistance purposely circumvent government channels. The implications are that the focus on effectiveness is lost, as an effective humanitarian assistance is not the same thing as an effective development co-operation.

³⁵ | Carin Jämtin and Jorge Moreira da Silva (2021), "Enabling civil society is a development priority," OECD Series on Tackling COVID-19, The Forum Network, <https://www.oecd-forum.org/posts/enabling-civil-society-is-a-development-priority>

³⁶ | Finding from the virtual multi-stakeholder workshop for civil society actors, development partners and government that reflected on the enabling environment for CSOs and CSO development effectiveness.

³⁷ | OECD (2020), Development Assistance Committee Members and Civil Society, The Development Dimension, OECD Publishing, Paris, <https://doi.org/10.1787/51eb6df1-en>

³⁸ | OECD (2020), Development Assistance Committee Members and Civil Society, The Development Dimension, OECD Publishing, Paris, <https://doi.org/10.1787/51eb6df1-en>

³² | OECD (2018), Development Co-operation Report 2018: Joining Forces to Leave No One Behind, OECD Publishing, Paris, <https://doi.org/10.1787/dcr-2018-en>

³³ | CIVICUS (2021), The State of Civil Society Report, <https://civicus.org/state-of-civil-society-report-2021/>



Partnerships with CSOs were focused on promoting various forms of CSO involvement in developing, implementing and evaluating sectoral public policies, and the environment for civil society participation in development co-operation is extensive, as evidenced by 2018 Global Partnership for Effective Development Co-operation data”

(Moldova’s 2020 Voluntary National Review on the enabling environment for CSOs)

Burdensome administrative and reporting requirements distract CSOs from their core work and undermine their development impact. Recognizing these challenges, development partners strive to implement the provisions of the DAC Recommendation on Enabling Civil Society on Development Co-operation and Humanitarian Assistance³⁹ to maximize civil society’s contribution to the 2030 Agenda.

This recommendation stresses the collective responsibility to respect, protect and promote civic space in line with the rights to the freedom of peaceful assembly, association and expression. At the same time, it provides guidance for development co-operation providers on supporting and engaging with civil society. In parallel, civil society also continues to strengthen its own development effectiveness, accountability and transparency, guided by the Istanbul Principles.⁴⁰

Finally, **the rise of digital technology is having a dual impact on civil society partnerships⁴¹ and how development actors partner with civil society.** Digital technology is enabling civil society to scale up, connect and engage in key decision-making processes cost-effectively at the global, national and local levels. This is unprecedented, but at the same time also risks locking out swaths of civil society actors due to unequal access to digital technology, restricting their effective functioning. Authorities may also block the internet in cases of crises or turmoil, thus further restricting civic space⁴² and effectively disconnecting CSOs from performing their tasks and responsibilities. Technology is evolving much faster than development co-operation partnerships can adapt to it.

Continued reflection is needed on how to unleash the potential of digital dialogue mechanisms as an enabler of more effective civil society partnerships while also managing the risks that this entails.

THE ACTION DIALOGUES SIGNALLED THE DEMAND FOR SUSTAINED, DEDICATED EFFORTS BY ALL ACTORS TOWARDS PROMOTING AND SAFEGUARDING AN ENABLING ENVIRONMENT FOR CIVIL SOCIETY.

In **Togo**, it was noted that **a framework for better CSO engagement is being created.** CSO representatives reaffirmed their readiness to provide the Government with financial information on their activities,

adding that CSO umbrella organizations have practical difficulties in collecting information on funding, aggregating it and transmitting it to Government. The **CSO representatives raised several requests to improve their enabling environment**, including establishing regular dialogue, inclusion in joint field visits, as well as government support to set up an aid information management system in order to strengthen ownership and mutual accountability.

During the Action Dialogue in **Rwanda**, **CSO representatives called for stronger engagement with development partners and the private sector through partnerships, particularly at the local level.** These partnerships could focus on strengthening local coordination mechanisms and the provision of capacity-building activities, which it views as critical to strengthening emergency preparedness and resilience to enable local CSOs to mitigate the impact of COVID-19 on the most vulnerable. These efforts could build on Rwanda’s district-level/grass-roots mechanisms, such as Joint Action Development Forums.

In **Honduras**, the Action Dialogue also focused on commitments to strengthen inclusive space for dialogue and the participation of development actors from different sectors, including civil society, the private sector, unions and citizen groups representing women and youth. For instance, the **Government of Honduras conducted a series of open consultations with CSOs to include them in the drafting process for the National Policy for Development Co-operation.**

³⁹ | OECD (2021), DAC Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance, <https://legalinstruments.oecd.org/Instrument%20s/instruments/OECD-LEGAL-5021>

⁴⁰ | Through the Istanbul Principles, CSOs commit to take proactive action to improve and be fully accountable for their development practices.

⁴¹ | GPEDC (2021), “CSO experts highlight digital opportunities & roadblocks for effective partnerships at the country level”, Effective Co-operation, 10 May, <https://effectivecooperation.org/CSOExpertsHighlightDigitalOpportunitiesRoadblocks>

⁴² | OECD (2020), “Digital transformation and the futures of civic space to 2030”, OECD Development Policy Papers 29, OECD Publishing, Paris, <https://doi.org/10.1787/79b34d37-en>

SECTION 3

**A NEW
MONITORING
EXERCISE
TO ADDRESS
EFFECTIVENESS
CHALLENGES**



Since 2013, the GPEDC has conducted three global monitoring rounds to track progress and provide evidence on how stakeholders are upholding the effectiveness commitments they made in the 2011 Busan Partnership Agreement. There was record participation in the third monitoring round (2018), which included 86 partner countries and territories, over 100 development partners and hundreds of representatives from CSOs and the private sector. The fourth monitoring round is planned for 2023.



The monitoring exercise is the GPEDC's flagship instrument and is a recognized source of global evidence for tracking progress on the implementation of commitments to the principles of effective development co-operation at the country level.

ACTION DIALOGUES HAVE PROVIDED A CRITICAL SOURCE OF EVIDENCE ON HOW GOVERNMENTS AND STAKEHOLDERS WORK IN PARTNERSHIP AT THE COUNTRY LEVEL TO MAINTAIN THE MOMENTUM OF DEVELOPMENT CO-OPERATION AND MAKE THIS MORE EFFECTIVE.

While the GPEDC monitoring exercise was being reformed, the 15 Action Dialogues held benefited from the results of previous monitoring rounds and also provided added evidence as to how development effectiveness is being strengthened at the country level.

Going forward, the Action Dialogues will constitute a key pillar of the new monitoring process. They will include an ongoing cycle of reflection, dialogue and action, providing opportunities for development stakeholders to ensure that the results of the exercise generate enhanced development outcomes and behaviour change.

The monitoring exercise is intended to be used primarily at the country level: Governments can draw on it to ensure that development co-operation is in line with shared principles and supports the realization of respective commitments. International organizations, the business sector, local governments, civil society and all the partners engaged in development co-operation can similarly benefit, as the country-led exercise helps to strengthen mutual accountability and mutual learning.

THE NEW MONITORING EXERCISE SUPPORTS STRONGER DEVELOPMENT OUTCOMES THROUGH A VIRTUOUS CIRCLE OF INCLUSIVE DIALOGUE, COLLECTIVE ACCOUNTABILITY, TRACKING RESULTS AND AGREEING ON ACTIONS.

The monitoring exercise is the main avenue through which the Global Partnership supports the global follow-up and review of the SDGs. The first three monitoring rounds- which took place in 2014, 2016 and 2018- have supported accountability for Busan commitments, providing an evidence base to stimulate dialogue and drive behaviour change for more effective development co-operation.

The ambitious reform of the GPEDC monitoring exercise in 2020-2022 was the result of an extensive, inclusive, transparent consultation process. This has been led by the GPEDC co-chairs, under the guidance of the Steering Committee and with support from the OECD-UNDP Joint Support Team.

The 2022 Effective Development Co-operation Summit is the ideal moment for cementing and revitalizing political commitments to the development effectiveness principles and collectively committing to the new monitoring exercise, which will begin in 2023.

The scope of the reform includes changes to both the monitoring framework (what is measured) and the monitoring process (how it is measured). The framework will continue to track existing commitments and generate evidence that relates to the four principles of effective development co-operation. This continuity with past exercises will allow the GPEDC to continue observing trends in behaviour, building on the results from previous rounds. In addition, the revamped monitoring exercise will now also **generate or enhance evidence concerning other areas, including stakeholders' efforts to meet the pledge to leave no one behind**, as well as an added focus on data and statistical systems.

Furthermore, the revised framework incorporates a dimension on the state and use of country systems, including PFM systems, and development partners' use of those systems. Another change is the emphasis on transparency at the country level: this was previously complementary but is now a core component of the framework. Building on work begun in 2017, **the framework will also offer an adaptation for fragile and post-conflict situations**, in recognition of the specific challenges and priorities for effective development co-operation in such contexts.

Stakeholders also strongly supported the inclusion of a **new assessment of the implementation of the Kampala Principles for Private Sector Engagement in Development Co-operation**. This is an integral part of the new monitoring exercise and builds on the previous measurement of publicprivate dialogue. This new assessment area reflects the increasing use of development co-operation resources to engage the private sector in partnerships and will gather evidence on the quality of such partnerships. It will do so by looking at areas such as policy frameworks, the inclusiveness of dialogue and the degree to which PSE explicitly benefits those who are furthest behind.

Input from stakeholders during the reform process also indicated support for introducing key changes to the monitoring process.

These include changes that seek to **improve institutionalization and synchronicity with other relevant country-level processes**, provide more flexibility, incentivize participation and systematize the use of monitoring results. As a result, the revised monitoring process will now be undertaken as a **global rolling round that will take place over a four-year cycle, in line with the current political cycle of the GPEDC**.

This cycle allows partner countries (which lead the exercise) greater flexibility as to when they participate. Countries can also decide how long they wish to take to lead a more complete monitoring cycle. This flexibility around when they begin the exercise also allows them to anchor and institutionalize the monitoring exercise within other relevant country processes. Countries commit to undertaking the exercise at least once every cycle, such that new data will be generated on an ongoing basis and will continue to generate global evidence. This will allow the GPEDC to provide more regular updates on the state of effectiveness through new accountability tools and products such as development partner profiles, an online reporting system and dashboard, annual summaries of results and policy briefs.

The revised exercise also entails **a new phase that focuses on generating behaviour change among partner countries, development partners and all stakeholders involved in the exercise**. This will be realized through continuous reflection, dialogue and action around the monitoring results. The increased accountability resulting from more frequently available data will enhance the global visibility and usefulness of the exercise, bolstering political momentum, facilitating peer learning and informing behaviour and policy change.

Together, these changes reflect the consensus that the monitoring exercise must maintain its place as the globally recognized source of data for upholding effectiveness commitments but must also be strengthened to support greater behaviour change at the global and country levels.

EVOLVING GLOBAL CHALLENGES AND CRISES REQUIRE AN EVEN SHARPER FOCUS ON RESULTS DRIVEN ACTION TO REACH THOSE MOST IN NEED. THESE CIRCUMSTANCES CALL FOR A PRINCIPLED APPROACH TO UNLOCK THE POTENTIAL OF EFFECTIVE DEVELOPMENT CO-OPERATION FOR BETTER DEVELOPMENT RESULTS.

To date, the Global Partnership monitoring exercise has provided valuable evidence on the state of effective development co-operation.

The value of this evidence is demonstrated by the diverse ways in which stakeholders have used and acted on the results of the monitoring exercise, which capture their behaviour around the commitments they have made on effective development co-operation.⁴³ These varied trends in the use of monitoring results by countries and other stakeholders are captured in the metrics below.

The GPEDC monitoring was undertaken to ensure that the type of evidence generated meets stakeholders evolving needs and that the monitoring process facilitates action by stakeholders and behaviour change. Global Partnership stakeholders are looking forward to this next chapter of the monitoring exercise, anticipating that the results it generates will spur further action and promote change for more effective development co-operation.

⁴³ | Global analysis of trends emerging from this exercise is captured in the 2019 progress report—OECD/UNDP (2019), Making Development Co-operation More Effective: 2019 Progress Report, OECD Publishing, Paris, <https://doi.org/10.1787/26f2638f-en>



OVER 45 COUNTRIES

HAVE USED 2018 MONITORING RESULTS TO INFORM NATIONAL PLANNING AND ASSESS PROGRESS ON EFFECTIVE DEVELOPMENT CO-OPERATION AND DELIVERY OF THE SDGS OR TO INFORM VNRS.

Following the 2018 monitoring round, partner countries reflected on results in diverse ways to guide national planning processes.

- As part of **Peru's** renewal of its international co-operation policy in 2022, the results from the 2018 monitoring exercise were taken as a point of reference for strengthening alignment with the country's co-operation needs. The monitoring exercise provided a baseline for comparing Peru's results with those of other countries. This helped the country identify key challenges and guided the design of the new policy.
- The **Cook Islands** developed a detailed report on its monitoring results, including an analysis of the country's performance against each indicator. The report also elaborated on the lessons learned from the monitoring process, with recommendations to guide action on results.
- **Nepal's** monitoring results on predictability and use of country systems by development partners were cited in the country's 2019/20 Development Co-operation Report.
- The **Democratic Republic of the Congo** used evidence from the 2018 monitoring round for its 2022 National Workshop to Launch the Outreach of the National Aid Policy, at which participants took stock of and discussed the use of country systems.
- Multiple partner countries reflected on the use of country-owned results frameworks and planning tools by providers of development co-operation in their Voluntary National Reviews. The GPEDC monitoring exercise is the official data source for SDG 17.15.1, which assesses the respect accorded to country policy space and leadership to implement policies for sustainable development. These countries include the **Central African Republic, Chad, Dominican Republic, Palau, Rwanda, Saint Lucia, Samoa, Tonga and Uganda**.
- The 2020 VNR report for **Bangladesh** reflected on the country's performances for the SDG indicators that the GPEDC monitoring exercise is the official source of evidence for, namely 5.c.1 (the existence of systems to track public allocations for gender equality and women's empowerment), 17.15.1 (the use of country-owned results frameworks and planning tools) and 17.16.1 (progress made by countries in multi-stakeholder development effectiveness monitoring frameworks).

These 45 countries include development partners that have used monitoring results to further analyse countries' performances and progress made on commitments to effective development co-operation.

In the report "Does the **EU** deliver?", the **EU** used its 2018 monitoring results to take stock of its performance and that of its Member States around the implementation of aid and development effectiveness principles in its development co-operation with over 70 partner countries. The **EU** organized webinars to encourage dialogue on the report's findings and implications and to consider strategies for improving performance.

Germany used its 2018 monitoring results round for an evaluation report that identified challenges and policy recommendations to further the implementation of the effectiveness principles in German development co-operation.

To better understand its 2018 monitoring results vis-à-vis partner country contexts and other operating conditions for Swiss co-operation offices, **Switzerland** used the results for an in-depth analysis and identified recommendations to improve performance.



ALL 10 DAC PEER REVIEWS

PUBLISHED SINCE THE 2019 GPEDC PROGRESS REPORT WAS ISSUED HAVE USED THE 2018 MONITORING RESULTS.

Peer Reviews seek to improve the quality and effectiveness of **DAC members'** development co-operation by holding them accountable for commitments and recommending actions to improve their performance. In reviewing DAC members' adherence to effectiveness commitments, Peer Reviews systematically use GPEDC monitoring evidence. Reference was made to the 2018 monitoring results in the Peer Reviews of **Austria, Belgium, Denmark, Germany, Ireland, Italy, Japan, Portugal, Spain and the United Kingdom**.



AT LEAST 55 INTERNATIONAL REPORTS

HAVE CITED EVIDENCE FROM THE 2018 MONITORING ROUND.

This includes the 2021, 2020 and 2019 editions of both the **UN Secretary-General's** Report on Progress on the SDGs, and the Financing for Sustainable Development Report. Evidence from the Global Partnership monitoring exercise was also used in reports that map the changing landscape of development co-operation. These include Multilateral Development Finance 2020 (**OECD**, 2020); A Changing Landscape—Trends in Official Financial Flows and the Aid Architecture (**World Bank**, 2021); The Least Developed Countries Report 2021 (**UNCTAD**, 2021); United Nations Department of Economic and Social Affairs (UNDESA) 2020 guidance on Integrated National Financing Frameworks; and the 2019 and 2022 editions of the **G7** report.



MORE THAN 20 MULTISTAKEHOLDER MEETINGS

ORGANIZED BY VARIOUS GLOBAL PARTNERSHIP CONSTITUENCIES WERE INFORMED BY THE 2018 MONITORING RESULTS. THESE INCLUDE ACTION DIALOGUES, TRAINING AND REVIEW SEMINARS, WEBINARS AND OTHER ADVOCACY EVENTS.

The **Korean International Co-operation Agency** hosts the Learning and Accelerating Programme to familiarize partner country stakeholders with the Global Partnership and implement the Busan principles at the country level. Results from the 2018 monitoring round were used to inform discussions on effective support for data capacity and systems at the 2020 LAP event.

The Government of **Bangladesh** organized a virtual multistakeholder workshop entitled "Effective Engagement of Civil Society Organizations in Development", in collaboration with the **Task Team** on CSO Development Effectiveness and Enabling Environment, the **Netherlands** Embassy in Bangladesh, and the **COAST Foundation**. The workshop used monitoring evidence on the enabling environment in which CSOs operate and focused on effective engagement with CSOs.

The **CSO Partnership for Development Effectiveness** organized a civil society forum to discuss the 2019 report "Civil Society Reflections on Progress in Achieving Development Effectiveness", jointly with **AidWatch Canada**, which drew on 2018 monitoring evidence. The report focused on trends concerning CSO-enabling environment, the inclusion of civil society in development processes, mutual accountability for development outcomes and transparency.

CONCLUSION

More than a decade after the adoption of the Busan Partnership Agreement in 2011, this special report finds that **maximizing the effectiveness of all forms of co-operation for development remains a priority of partner country governments**. The “effectiveness agenda” may not be in the spotlight for the international development community but it remains a priority at the country level. The 15 Action Dialogues and the strong participation of all GPEDC stakeholders in the reform of the GPEDC monitoring exercise attest to the community’s continued interest in addressing new and persistent challenges to achieving the SDGs by working together better.

The pursuit of more effective development interventions and stronger partnerships at the country level is ongoing and often entails slow progress and setbacks. This report illustrates the wide range of domestic reforms that partner countries have already implemented or are undertaking to strengthen their policies, institutions and partnerships to enable stakeholders to work together better. Different countries face similar effectiveness challenges, often in relation to deficiencies in the critical enablers of effective development co-operation. These enablers include national development policies and the corresponding coordination mechanisms, as well as aid information management systems and sound data. In other words, there are many **opportunities for countries to learn more from one another**.

In an evolving aid landscape, the **effectiveness principles have proven to be a unique but shared compass that countries can use to orient multi-stakeholder dialogue and action on priorities and needs**. At the same time, the principles have helped frame ongoing global reflection on how to better apply the principles and contextualize them to better address development actors’ new and emerging priorities.

The first 15 Action Dialogues have facilitated **political buy-in on the priority reforms required to leverage all types of development co-operation towards implementing a more resilient COVID-19 recovery and achieving the 2030 Agenda**. Recent practice at the country level demonstrates that INFFs, SSTC and more robust private sector and civil society engagement all have the potential to improve development partnerships and build trust.

Inclusive, country-led dialogue has proven its worth as a practical tool for scaling up effective co-operation and multi-stakeholder partnerships across public, private, international and national stakeholders. Maintaining the momentum generated by the Action Dialogues and learning from different country-specific approaches can increase the uptake of evidence-based action as part of the new GPEDC monitoring exercise. By continuously generating up-to-date evidence, the new exercise will further unleash **the potential of the Action Dialogues to drive peer learning**. At the same time, the policy reforms discussed through the Action Dialogues are an ideal entry point for regional organizations to drive regional peer learning on innovative, practical approaches for more effective co-operation and partnerships.

Going forward, the GPEDC is continuing to position itself as the **primary multi-stakeholder platform for generating critical evidence to support the practical implementation of the effective development co-operation principles** in the spirit of collective accountability. The new monitoring approach that will be launched in 2023 reinforces **the partnership’s potential to connect and broker multi-stakeholder dialogue and behaviour change**.


Building on the evidence contained in this special report, the **2022 Effective Development Co-operation Summit provides unique opportunities for cementing and revitalizing collective political commitments and mutual trust**. In so doing, it hopes to achieve an even sharper focus on results-driven action to reach **those most in need**, with full consideration of the uniqueness of all country contexts.




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