

Chapter 4

Transparency and accountability for development results

The Busan Partnership agreement has at its heart transparency, mutual accountability among partners, and accountability to beneficiaries of development co-operation and all stakeholders. This chapter reviews the status and challenges encountered in implementing key Busan commitments on transparency and accountability. It asks: are providers of development co-operation using the recently agreed common, open standard to publish their information on development co-operation resources? Is the information they provide timely, comprehensive and forward-looking? At the country level, are co-operation providers predictable enough to allow developing countries to plan their development programmes? Does each developing country have a process in place for assessing mutual progress towards development goals, and does it include non-state stakeholders such as civil society and the private sector?

Transparency and accountability are essential for development results. The Busan Partnership agreement spells out that delivering results requires accountability to all relevant development stakeholders, and that transparent practices form the basis for enhanced accountability.

In recent years, transparency has grown into a major political topic on the development agenda. Several joint initiatives have emerged to promote and support transparency, ranging from the International Aid Transparency Initiative (IATI) to the Open Government Partnership or the Open Budget Partnership. In June 2013, the G8 group of countries launched their Open Data Charter and committed to “ensure that data on G8 development assistance is open, timely, comprehensive and comparable” (UK Cabinet Office, 2013). Alongside collective initiatives, individual actors have made efforts to increase the transparency of their operations and systems, including more accessible and timely information on resources, activities and results.

The availability of the right information at the right time is essential for building mutual trust between partners and addressing power imbalances in the co-operation relationship.

By 2005 the Paris Declaration on Aid Effectiveness had already recognised transparency as a pre-requisite for public support for development efforts and for effective resource mobilisation and allocation. In 2008, the Accra Agenda for Action (AAA) increased the focus on developing countries’ parliamentary oversight of – and transparency in – public financial management, also highlighting the need for stronger measures to fight corruption. In their turn, co-operation providers promised to disclose regular, detailed and timely information on development expenditure. Overall, these moves signalled a clear recognition that transparency is essential for building mutual trust between partners and addressing power imbalances in the co-operation relationship.

Since 2005, the transparency agenda has evolved substantially, broadening its focus from transparency between governments to improving information access for all stakeholders. In essence, the spirit of the Busan Partnership agreement is to provide a wider array of constituents, from citizens to aid practitioners and researchers, with the right information at the right time. This will mean that citizens in developing countries have more information on resources flowing into their country and potentially affecting their livelihoods; taxpayers in provider countries are more aware of how their taxes are spent and the impact they are having; and governments and development specialists in developing countries can plan their budgets and activities better.

Transparency is vital for effective development planning. It is also a pre-requisite for predictable development co-operation. The Paris Declaration recognised that greater predictability in the provision of aid flows is needed to enable developing countries to plan and manage their development programmes effectively over the short and medium term. In the AAA, co-operation providers promised to deliver regular and timely information on their rolling three-to-five-year forward expenditure and/or implementation plans. Mindful that forward planning information may be subject to uncertainties and internal procedural constraints, the AAA called for the provision of “at least indicative resource allocations that developing countries can integrate in their medium-term planning and macroeconomic frameworks” (AAA, 2008), while at the same time committing co-operation providers to address any constraints to providing such information. However, progress towards this commitment has been slow. The Busan

High-Level Forum stepped up the pressure on those providers that endorsed the AAA, urging them to provide rolling three-to-five-year indicative forward plans by 2013. Other actors were also invited to aim to provide their planning information in a similar way.

The Busan Partnership agreement underlines that transparency is more than a vital planning tool: it is the basis for accountability. Transparent and equal information on resources, their terms, conditions, objectives and outcomes provides the basis for mutual reviews of progress. Country-led inclusive and transparent national frameworks to monitor progress and promote mutual accountability are at the core of implementing the Busan commitments.

This chapter outlines the results from the three indicators which have been designed to measure progress towards the principles of transparency and accountability:

- Indicator 4: Information on development co-operation is publicly available
- Indicator 5: Development co-operation is more predictable
- Indicator 7: Mutual accountability among co-operation actors is strengthened through inclusive reviews.

Indicator 4: Information on development co-operation is publicly available

When adopting the common open standard, providers committed to improve the timeliness, comprehensiveness and forward-looking nature of information on development co-operation funding.

The Busan Partnership agreement commits development co-operation stakeholders to improve the availability and public accessibility of information on development co-operation and other development resources. An important aspect of this commitment includes implementing a “common, open standard” for electronic publication of timely, comprehensive and forward-looking information on resources provided through development co-operation (BP, 2011: para 23c). The Busan Partnership agreement called for this common standard (described in Box 4.1) to be agreed and implementation schedules to be published by the end of 2012, with the aim of fully implementing the standard by December 2015.

The international development community has responded in time: the common, open standard was endorsed at the final meeting of the Working Party on Aid Effectiveness in June 2012 (WP-EFF, 2012). By December 2012, a total of 35 providers of official development assistance (ODA) had produced schedules setting out how and when they would implement the standard.¹

What is the measure?

Indicator 4 - Measure of the state of implementation of the common standard by co-operation providers.

Target for 2015: Full implementation of the common standard by December 2015

Box 4.1. What is the common standard?

The common standard combines three complementary systems and processes for tracking development co-operation flows. These are two OECD reporting instruments – the DAC Creditor Reporting System (CRS) and the Forward Spending Survey (FSS) – which contain comprehensive statistical information; and the International Aid Transparency Initiative (IATI), a self-publishing system with notifications to a registry that provides current management information on co-operation providers’ activities.

The common standard enables and encourages development co-operation providers to make information more transparent along four dimensions of “good practice”:

1. **greater availability** of historical, current and future information on aid flows
2. **more detailed** information on aid projects and programmes (improved comprehensiveness)
3. **broader coverage** and participation (beyond ODA, and beyond traditional providers)
4. **improved timeliness** and more frequent updates of information on development finance

The common standard is the result of consultations led by representatives of key stakeholder groups, including IATI partner countries, CSOs, the IATI secretariat, the DAC Working Party on Development Finance Statistics, the DAC Secretariat and the Busan building block on transparency – together also referred to as the Ad Hoc Group on the Common Standard.

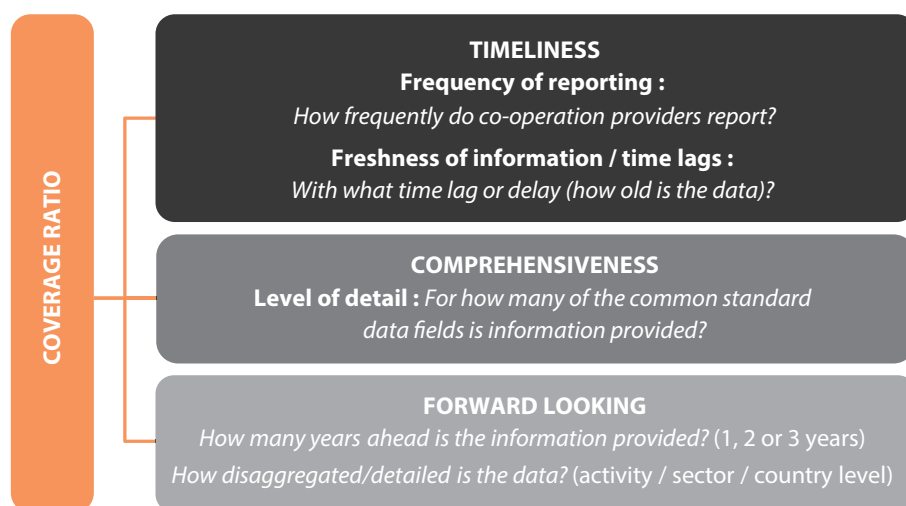
The pilot indicator assesses co-operation providers’ electronic publication of information against three dimensions: timeliness, comprehensiveness and its forward-looking nature (Figure 4.1). For each dimension the provider is assessed for the information it provides to both the IATI and OECD systems; the indicator uses the better score from the two systems:²

1. The **timeliness** dimension aims to analyse the frequency with which information is provided, and the time lag for providing it, i.e. how “fresh” the information is.³ Different reporting frequencies and time lags are assigned different scores.
2. The **comprehensiveness** dimension assesses whether providers are publishing detailed information on their resources against data fields agreed in the common standard.⁴ This is done by scanning all data fields included in the common standard to examine whether these include information.
3. The **forward-looking** dimension aims to assess whether providers publish detailed forward-looking information, either through the OECD Forward Spending Survey (OECD, 2012a) or the IATI registry.⁵ The first question relates to the time span of the information: for how many years ahead is information provided? The second question is: how detailed is the information? Is it broken down into activities or sectors, or aggregated into a single country envelope?

The points for each dimension are multiplied by the coverage ratio, which measures the share of ODA (or for the forward-looking dimension, the share of country programmable aid)⁶ reported to each of the systems.

Who is assessed? All providers of ODA that have endorsed the Busan Partnership agreement and published common standard implementation schedules by the time of the assessment. In total, the pilot assessment covers 39 co-operation providers.⁷

Figure 4.1. How is indicator 4 constructed?



What is the state of play?

Providers are not yet publishing timely, comprehensive and forward-looking information on development co-operation resources.

The pilot assessment provides a first narrative on the initial state of implementation of the common open standard. It seeks to provide a baseline upon which providers can build future efforts to strengthen implementation of the standard by 2015. In assessing providers' existing reporting to the three systems of the common standard, the piloting assessment had not yet been subject to validation by individual providers at the time of writing.

Are providers publishing timely, comprehensive and forward-looking information on development co-operation resources? Not yet. The average provider publishes once-a-year data that is six-to-nine months old and provides information for 50% of common standard data fields. Transparency of forward information is a challenge: 25% of providers do not publish any forward-looking information through the systems of the common standard.

While the indicator construction envisages assessing performance through a scoring range of five grades, the pilot nature of the assessment did not yet allow a robust basis for assigning final grades to providers. Based on the preliminary assessment, three broad categories of provider reporting can be identified:

- Providers that report data very frequently and/or deliver particularly comprehensive and forward-looking reporting (roughly 10% of providers). For example, the United Kingdom provides monthly data that is never older than one month. Information is provided for more than 65% of the data fields and project-level data is provided in full for two years ahead, and for more than 60% of funding for the third year ahead. The Netherlands and Sweden also provide very timely reporting, whereas Finland is distinguished by excellent provision of forward-looking information for individual activities.

- Providers whose timeliness of reporting is less frequent, but that do report some forward-looking information, typically at the level of aggregate country envelopes (about 50% of providers). These providers would strengthen their performance by meeting the CRS reporting deadline or providing at least semi-annual data.
- Providers that have average reporting in terms of timeliness and level of detail, but are let down by their low levels – or absence – of forward-looking data. (One third of all providers).

Finally, the pilot assessment included three providers⁸ that have in place common standard implementation schedules, but are not yet reporting to the systems of the common standard due to the fact that they have only recently joined the DAC. They are included in the assessment to recognise that they have published implementation schedules, and to facilitate tracking and recognising their progress in reporting to the common standard systems in subsequent assessments.

The starting point: How are providers implementing each indicator dimension?

Timeliness – considerable room for progress

Data needs to be published much more quickly and regularly: in most cases, data is published only once a year and is already six-to-nine months old.

Provider countries and organisations' current reporting can be divided into three tiers based on their performance on timeliness:

1. The minority of providers publish at least quarterly data (about 15% of providers). For example, the Netherlands and the United Kingdom are the top performers for timeliness, updating their reporting on a monthly basis with data that is not older than one month.
2. More than one third publish annual data and have adhered to the set CRS reporting deadline of 15 July 2013 (about 40% of providers).
3. Almost half of the providers report annually but missed the CRS reporting deadline, or who do not report to the CRS (both categories add up to about 45% of providers).

These results show that data could be published much more quickly and regularly. The average co-operation provider publishes data only once a year and at the time of publishing, data is already six to nine months old. Of the countries and organisations assessed that report to the CRS, half missed the reporting deadline in 2013. On the whole, results suggest that co-operation providers are still not doing enough to implement their commitments dating back to the Paris Declaration in 2005 to provide timely information on co-operation flows.

Level of detail – a good start

The provider community is halfway to providing information for the common standard fields. Some providers do not even publish basic information, such as activity start dates.

The assessment indicates that on average, information is provided for 50% of data fields. Thus the provider community is halfway to providing information for the full list of common standard fields. Variation in performance is significant, however. The top six scorers for level of detail (GAVI Alliance, the Netherlands, Portugal, Sweden, the United Kingdom and the World Bank) provide data for more than 60% of the agreed fields. Some other providers do not even publish basic information, such as activity start dates.

Forward-looking information – more efforts needed

Much more effort is needed to achieve widespread publication of detailed forward-looking information for activities.

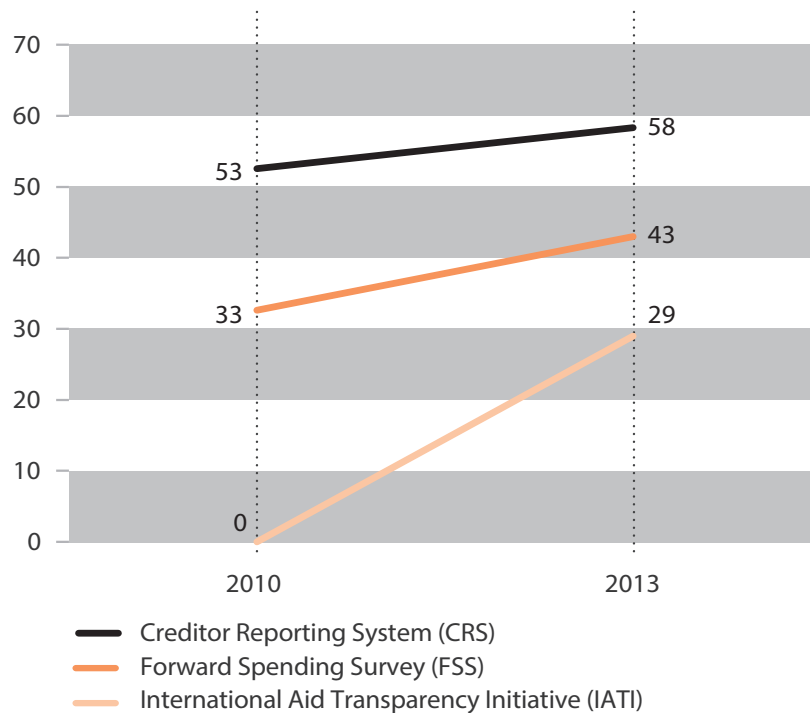
The majority of co-operation providers (more than 75%) publish some forward-looking information through the systems of the common standard. Nine of them (Austria, Belgium, the EU, Finland, the Netherlands, Portugal, Sweden, the United Kingdom and the World Food Programme) published at least some forward-looking data at the activity level. This is an important effort to help developing countries budget effectively. A further 21 providers publish aggregate country-level envelopes.

This leaves a quarter of providers who do not publish any forward-looking information through the systems of the common standard, including a number of providers who do give information to the Forward Spending Survey, but under a non-disclosure policy that prevents its publication.⁹

Implementing the common standard: Next steps towards 2015

The results of this pilot provide a baseline for future assessments, but do not yet provide an assessment of progress over time.¹⁰ Even so, an initial indication of progress towards implementing the common standard is suggested by the increase in the number of co-operation providers reporting to the systems of the common standard between 2010 and 2013 (Figure 4.2).

Figure 4.2. Increase in ODA providers reporting to the common standard systems



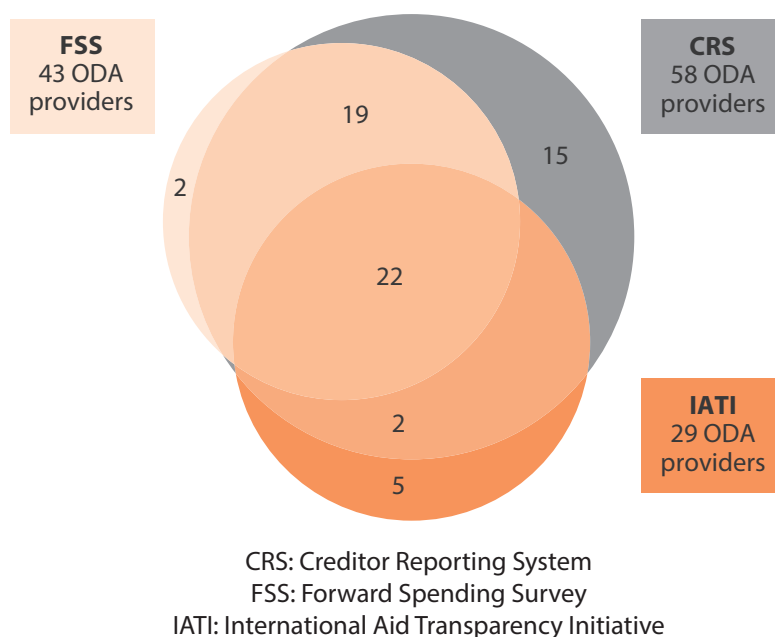
Note: Includes all ODA providers and excludes non-governmental organisations and private sector organisations. The IATI 2013 figure includes those who reported by 31 December 2013. The CRS figures indicate the year of the data and for 2013 include new DAC members. The FSS figures indicate the year of the survey (e.g. 2010 indicates the 2010 survey on 2010-12 data).

In total, the systems of the common standard currently capture information from 65 co-operation providers, and 22 of them report to all 3 systems (Figure 4.3). This signals an encouraging momentum towards strengthened transparency and sharing of information as called for in the Busan Partnership agreement.

Implementing the common standard, nevertheless, means more than merely reporting to these systems: it requires publishing timely, comprehensive and forward-looking information. These assessment results show the need to raise the level of ambition and to redouble efforts if providers are to meet developing countries' information needs and achieve the aim of fully implementing the common standard by December 2015.

Demonstrating collective progress by 2015 will require urgent action to: 1) increase the timeliness of reporting and – as a minimum – meet reporting deadlines and strive for more frequent reporting; 2) publish information for at least 60% of the agreed data fields; and 3) importantly, to strive to publish forward-looking information on at least aggregate country funding envelopes for the entire co-operation portfolio. The fact that several providers already perform strongly across the three indicator dimensions shows that it is technically possible to deliver timely, comprehensive and forward-looking data.

Figure 4.3. Numbers of reporters to the common standard systems in 2013



Providers' implementation schedules set out promising ambition for achieving progress by 2015 in publishing information on development co-operation flows.

What do providers' implementation schedules tell us? They suggest potential for swift progress by 2015. For example, several providers plan to publish data at least every six months and to increase the overall coverage of ODA by including more of their implementing agencies. Some plan to extend common standard reporting to non-ODA flows, others plan to report to more of the data fields included in the common standard. Also forward-looking reporting should improve to see increased publication of aggregate country-level envelopes. While much more effort is needed to achieve widespread publication of detailed forward information for activities, the fact that some providers aim to publish activity-level data up to four years ahead sets an inspiring example and makes a crucial contribution towards the overall implementation of the common standard.

Lessons from the pilot: How do we measure data quality and usefulness?

This indicator was piloted with a view to test the methodology and to draw lessons for further refining the approach. This section outlines briefly the key issues around data quality and usefulness that arose from the process of constructing and piloting this indicator.

In measuring implementation of the common standard, this indicator seeks to fulfil the inclusive spirit of the Busan Partnership agreement and measure providers' transparency not only towards developing countries, but more broadly to all development co-operation stakeholders. By assessing reporting to web-based platforms, the indicator provides a proxy for the public accessibility of information on development co-operation.

A critical element of transparency is supplying data that is useful for developing countries.

However, a critical element of transparency is supplying data that is useful for developing countries. Focus on the global supply of information means that the indicator does not yet capture the usefulness of data for developing country governments and other stakeholders. The consultation with Global Partnership stakeholders on the transparency indicator confirmed broad ambitions to assess both the quality and usefulness of the data in the future.

OECD-CRS data already involve quality assurance given the statistical nature of the information. Work is nevertheless ongoing to further analyse and strengthen the quality of reporting to the CRS, while efforts are also underway to start assessing and improving data quality in the IATI registry.¹¹ These initiatives could be used to develop a quantitative assessment of the quality of information for the next iteration of the indicator. However, further work will be needed to identify ways of consistently measuring data quality in systems that are inherently different and serve different purposes.

Assessing data usefulness would mean exploring the user side of the information equation.¹² The question of how to consolidate both supply and demand perspectives of information into one assessment merits strong future attention from all concerned stakeholders. The Global Partnership monitoring framework already captures to a certain extent the receipts of information by developing countries by measuring the availability of forward expenditure plans from providers (indicator 5b) and the recording of development co-operation funding in government budgets (indicator 6). In view of these existing indicators, Global Partnership stakeholders are invited to consider and propose ways of capturing the remaining elements of information use in this indicator approach.

Indicator 5: Development co-operation is more predictable

Development co-operation funding that differs from the amounts scheduled or arrives later than planned can undermine a government's ability to implement its development policies and strategies and to optimise resource allocation.

The Paris Declaration recognised that more predictable development co-operation flows enable developing country governments to plan and manage their development programmes effectively. Co-operation providers who signed up to the Paris Declaration promised to “disburse aid in a timely and predictable fashion according to agreed schedules” (Paris Declaration, 2005). The Accra Agenda for Action re-emphasised the importance of predictability by urgently calling for the provision of “full and timely information on annual commitments and actual disbursements” (AAA, 2008). In addition, the AAA strengthened the emphasis beyond annual predictability to medium-term predictability, committing providers of co-operation to make available “regular and timely information on their rolling three- to five-year forward expenditure and/or implementation plans” (AAA, 2008). The Busan Partnership agreement explicitly reaffirmed the Paris and Accra predictability commitments.

Indicator 5 consists of two parts to assess both aspects of predictability:

- Indicator 5a: annual (in-year) predictability
- Indicator 5b: medium-term predictability.

Indicator 5a: Annual predictability

When development co-operation volumes differ from the amounts scheduled or arrive later than planned, there can be serious implications for a developing country government's ability to implement its planned development policies and strategies and to optimise the allocation of resources within and across sectors.

What is the measure?

Indicator 5a - Annual predictability: Proportion of development co-operation funding disbursed within the fiscal year within which it was scheduled by co-operation providers.

Target for 2015: Halve the gap between aid scheduled for the next year and aid actually delivered.

This part of the indicator focuses on the in-year predictability of development co-operation. It measures the gap between the volume of development co-operation funding scheduled by providers for that financial year and the volume actually disbursed as planned. Funding is considered to have been “scheduled for disbursement” when the provider notified the government of this disbursement plan during the preceding year.

While unpredictability is typically associated with shortfalls in funding, it is not uncommon for providers to exceed their scheduled disbursements, which also causes problematic unpredictability for developing country governments. The indicator focuses on the share of scheduled disbursements that were paid as planned. It does not take into account disbursements over and above those scheduled, but does provide reference information alongside the indicator value to shed some light on challenges related to disbursements that exceed schedules (see: Introduction to the annexes).

What is the state of play?

While unpredictability is typically associated with shortfalls in funding, it is not uncommon for funding to exceed scheduled disbursements.

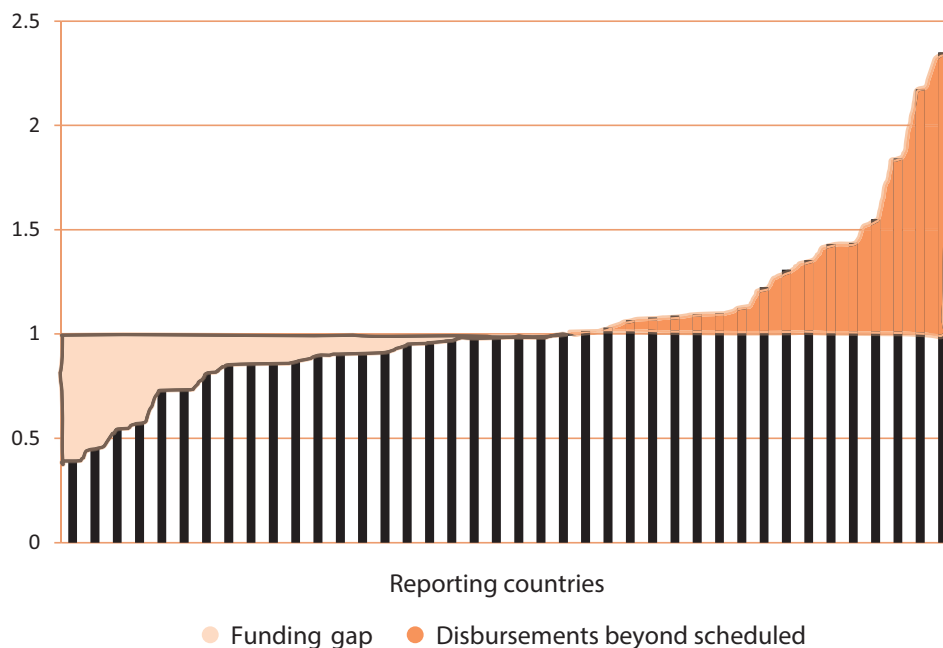
Across all countries reporting to Global Partnership monitoring in 2013, 84% of all scheduled disbursements communicated to government were actually disbursed as planned within the fiscal year. This is an improvement on 2010, when the share was 79% (Table A.5a). Reaching the target requires that by 2015, co-operation providers should disburse 90% of all scheduled disbursements according to plan.

The funding gap of 16% affected 22 countries that received less disbursements than initially scheduled (in total around USD 5.3 billion, Figure 4.5, funding gap). In addition, 17 countries received more disbursements than were originally scheduled, with these “unscheduled” disbursements amounting to roughly USD 6.4 billion (Figure 4.4, disbursements beyond scheduled).

On the global scale, these two phenomena more or less cancel each other out resulting in global disbursements amounting to 103% of scheduled disbursements.

As Figure 4.4 shows, there is considerable variation between countries. On the one extreme, Congo, Jamaica and Mali received at best only half of the funding that was originally scheduled by providers, whereas the Democratic Republic of the Congo and Niger received more than double the disbursements that were initially scheduled (Table A.5a).

Figure 4.4. **Actual disbursements as a proportion of scheduled disbursements in the reporting countries**



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Note: This figure does not include the six Pacific Island countries which were not in a position to provide information on providers' scheduled disbursements.

Underlying reasons why important funding gaps remain in some countries cannot be derived from the data. They will ultimately be a mix of economic and political factors affecting the co-operation landscape at the country level. As to the countries where more is disbursed than originally planned, the data does reveal one feature: in several countries the discrepancy stems from the fact that scheduled disbursements were zero (or scheduled disbursements were unavailable). This was the case, for example, in the Democratic Republic of the Congo, where half of the providers (10 out of 19) had not scheduled any disbursements, and therefore the bulk of actual disbursements were unscheduled. Overall, roughly 40% of disbursements beyond those scheduled relate to cases where scheduled disbursements were zero. This points to the need for serious efforts by providers to inform governments of their disbursement plans.

On the whole though, the data indicates that the majority of unscheduled disbursements occur from inaccurate planning figures. Even where disbursement schedules were comprehensively made available by providers, as in Nepal and Niger, actual disbursements were notably higher (184% and 217% respectively).

The above analysis focuses on whether countries receive less or more funding overall than originally scheduled by providers. Within individual countries, however, the picture tends to be mixed: most had to deal with some providers disbursing more and others less than initially scheduled. For example, during the fiscal year in which the Malawian government received over 150% of scheduled disbursements, half of its co-operation providers disbursed less than originally planned.

Overall, discrepancies between planning information and actual execution of payments significantly hamper predictability. The data suggests that governments are growing wary of these discrepancies between disbursement schedules and actual disbursements. A comparison with the findings of indicator 6 in Chapter 2 (recording co-operation funding on budget) indicates that countries record both more and less funding in the annual budget than the total of providers' scheduled disbursements. Whether this is due to governments relying on other sources of planning information, or simply adjusting providers' indications, it confirms that so far providers' disbursement schedules are not credible enough to inform governments' planning.

Indicator 5b: Medium-term predictability

Comprehensive and credible three- to five-year forward information on development co-operation funding is crucial for a government's planning and budgeting process.

Lack of comprehensive and credible forward information on development co-operation funding can have serious implications for a government's ability to plan and implement policies and strategies, deliver public services, and design and conduct sound macroeconomic policy. The Busan Partnership agreement calls for providers to give "rolling three-to-five-year indicative forward expenditure and/or implementation plans as agreed in Accra to all developing countries" by 2013 (BPa, 2011: para 24).

What is the measure?

Indicator 5b – Medium-term predictability: Estimated proportion of development co-operation covered by indicative forward expenditure and/or implementation plans for one, two and three years ahead.

Target for 2015: Halve the proportion of development co-operation funding not covered by indicative forward-spending plans provided to developing countries.

Indicator 5b measures the estimated proportion of development co-operation funding covered by indicative forward expenditure plans for one, two and three years ahead. For every provider of development co-operation participating in the global monitoring process, developing country governments have established whether or not the provider has given them a comprehensive forward expenditure and/or implementation plan setting out expected development co-operation flows for the next three years – in practice, the fiscal years ending in 2014, 2015 and 2016.

The forward spending plan must meet *all* three of the following criteria:

1. It must be provided in written or electronic form.

2. It must set out clearly indicative information on future spending and/or implementation activities in the country, including programmed or committed resources where the activity and modality is known; and other resources that have yet to be allocated to specific activities in the country.
3. It presents funding amounts by year (or in greater detail) using the developing country's fiscal year.

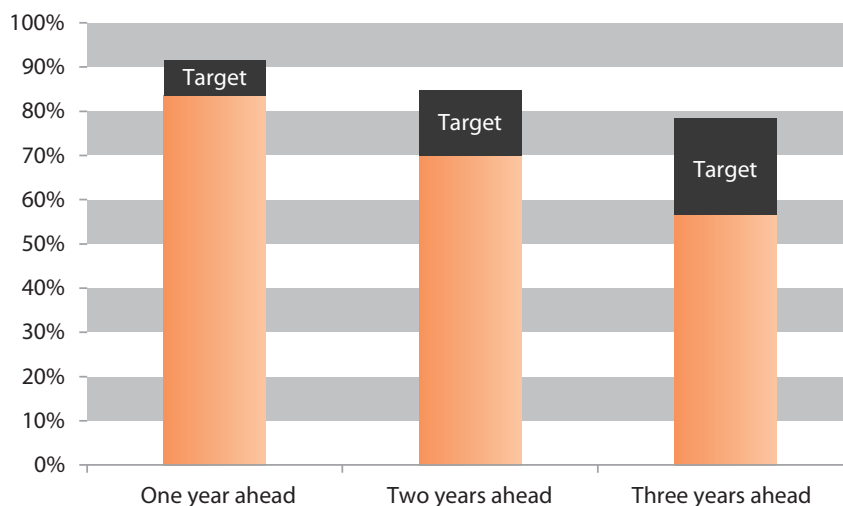
What is the state of play?

The availability of forward information decreases over the planning horizon: good information is available for one or two years ahead, but information for the third year ahead covers only just over half of estimated expenditure.

Across all countries that reported to Global Partnership monitoring in 2013, the availability of forward information decreases over the planning horizon: on average, 83% of estimated total funding is covered by forward-spending plans for the fiscal year ending in 2014, decreasing to 70% for 2015 and to only 57% for 2016 (Figure 4.5 and Table A.5b).

By 2015, Global Partnership stakeholders have committed to halve the proportion of development co-operation funding not covered by indicative forward-spending plans provided to developing countries. To achieve this, providers need to collectively ensure that by 2015 forward expenditure plans cover 92% of estimated total funding for 2016, 85% of estimated funding for 2017 and 79% of estimated funding for 2018.

Figure 4.5. **Estimated proportion of total funding covered by forward expenditure plans**



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Developing countries with effective tools for collecting information have better prospects to improve predictability over the medium term.

Poor availability of forward spending information may result from either “demand” or “supply” factors. Some developing countries may lack appropriate mechanisms to systematically collect forward-looking information. This is the case for instance in a handful of Pacific Island countries, where governments have collected medium-term planning information from providers up to 2015, but not for 2016. In other countries – for example Armenia, Burkina Faso, Cambodia, Lesotho, Samoa and Togo – the estimated proportion of funding covered by forward expenditure plans for the next three years is consistently high (90% or more, Table A.5b). This may be partly explained by the fact that these countries have effective tools for collecting information. For example, Cambodia’s online database includes future projections for all current projects and is accompanied by active government outreach to verify medium-term funding intentions for both government-sector and NGO-implemented projects. Co-operation modalities may also play a role in predictability. For example, in Samoa increasing levels of budget support were reported to enhance availability of medium-term planning information.

The data suggests that most reporting countries do have mechanisms for collecting forward expenditure information: over 75% of countries report having information from at least some providers even for the third year ahead. This suggests that the constraints lie on the “supply” side of the information equation: providers are either not supplying the necessary information to the country, or they do not have the information available internally.

Forward planning information does exist within the provider’s administration, but for varying reasons it is not consistently communicated to governments in developing countries.

The OECD’s Forward Spending Survey (FSS),¹³ a global survey of providers’ expenditure plans (see Box 4.1), is a useful resource for exploring the supply-side of planning information. Comparing information from the FSS with what was reported by developing country governments reveals discrepancies in the information available at the global and country level. In some cases, providers report to the FSS planned expenditure for some co-operation countries, while these same countries indicate through the Global Partnership monitoring that forward expenditure plans are not available from these providers at the country level. This suggests that planning information does exist within the provider’s administration, but for varying reasons it is not consistently communicated to country governments.

One possible factor affecting the communication between providers and government is the co-operation relationship. Generally, providers’ priority countries receive not only more financial resources, but the exchange of information is also more extensive and systematic (OECD, forthcoming). This is attributed to the increased level of co-operation and the fact that co-operation providers’ activities are generally supported by country offices and country strategy papers.

Irrespective of the nature of the co-operation relationship, some providers are restricted by their legal framework or practices. An OECD-DAC review revealed that procedural and legal constraints continue to hamper the provision of forward spending information (OECD, 2012b). Most co-operation providers lack the internal multi-year programming tools needed to update plans on a rolling basis. Bottlenecks include “cliff-edge” programming¹⁴ or co-operation frameworks built around annual budget

processes that prevent the disclosure of future spending estimates to developing countries. The fact that planning figures are inherently subject to change was recognised by both the Paris Declaration and the Accra Agenda for Action in calling for indicative information on planned resource allocations. To enable medium-term predictability, providers need to urgently address constraints to providing such information.

Indicator 7: Mutual accountability among co-operation actors is strengthened through inclusive reviews

Mutual accountability frameworks should reflect developing countries' specific needs and be grounded in their aid and development policies.

The Busan Partnership agreement recognises the importance of mutual accountability in strengthening partnerships for progress towards and beyond the Millennium Development Goals. In particular, it commits development partners to hold each other accountable for making progress against the commitments and actions agreed in Busan, alongside those set out in the Paris Declaration on Aid Effectiveness and in the Accra Agenda for Action (BPa, 2011). To implement this, the Busan Partnership agreement invites developing countries to take the lead in developing national review frameworks to monitor progress and promote mutual accountability. These frameworks, together with any indicators and targets agreed, should reflect countries' specific needs and be grounded in their aid and development policies. The Busan Partnership agreement encourages the active participation of all development co-operation actors in these mutual assessment processes (BPa, 2011: paras 35a and 18d). The definition of mutual accountability has expanded since the Paris Declaration. The Busan Partnership agreement increases the emphasis on governments' accountability to their citizens and parliaments, and includes an even broader range of co-operation partners, including CSOs and private actors, in mutual accountability mechanisms. National inclusive and transparent frameworks to monitor progress and promote mutual accountability lie at the core of the Busan commitments.

What is the measure?

Indicator 7 – Mutual accountability: Proportion of countries that undertake inclusive mutual assessments of progress in implementing agreed commitments and meet at least four of the five proposed criteria.

Target for 2015: All developing countries to have inclusive mutual assessment reviews in place.

The indicator seeks to measure the proportion of countries undertaking inclusive mutual reviews of their progress in implementing agreed commitments. Mutual assessment reviews are national exercises that engage both developing country authorities and providers of development co-operation at senior level in a mutual performance review. These reviews should ideally be conducted through inclusive dialogues involving a broad range of government ministries (including line ministries and relevant departments, at central and local levels); providers of development co-operation (bilateral, multilateral and global initiatives); as well as other stakeholders, including parliamentarians, private sector and civil society organisations (referred to as

“non-executive” stakeholders). These assessments should be done regularly (e.g. every one to two years) and can be supplemented by independent/impartial reviews (Box 4.2).

To assess progress against this indicator, a country is considered to have a mutual assessment of progress in place when at least four out of the five following criteria are met:

1. An aid policy or partnership policy defines the country’s development co-operation priorities.
2. National targets for effective development co-operation exist for both the developing country government and providers of development co-operation.
3. Progress has been assessed regularly and jointly by government and providers at senior level in the past two years.
4. Local governments and non-executive stakeholders have been actively involved in these reviews.
5. The comprehensive results of the review have been made public in a timely manner.

Box 4.2. Mutual accountability monitoring by the United Nations

A national Mutual Accountability Survey is conducted every two years by the United Nations Department of Economic and Social Affairs (UN DESA) under the UN Development Co-operation Forum (UNDCF), in partnership with the UNDP. Two previous surveys took place in 2009 and 2011 (United Nations, 2011).

At the time of writing this report, the third mutual accountability survey had been rolled out to countries. The survey gathers evidence to support government efforts to strengthen development partnerships. The UNDCF invited 140 ministries of planning and finance from developing countries to participate in the survey and consult with relevant line ministries and other stakeholders to identify mutual accountability tools, such as aid and partnership policies and dialogue platforms.

Preliminary findings of this survey are expected at the end of February 2014 and can feed into discussions on progress at the Global Partnership High-Level Meeting in Mexico in April 2014 and will complement the findings presented here.

What is the state of play?

Targeted efforts are needed to make mutual review processes more transparent and inclusive, extending participation to emerging providers, civil society organisations and the private sector.

Across all countries that reported to Global Partnership monitoring in 2013, 59% report having mutual assessment reviews in place in (Figure 4.6). This remains well below the 100% target.

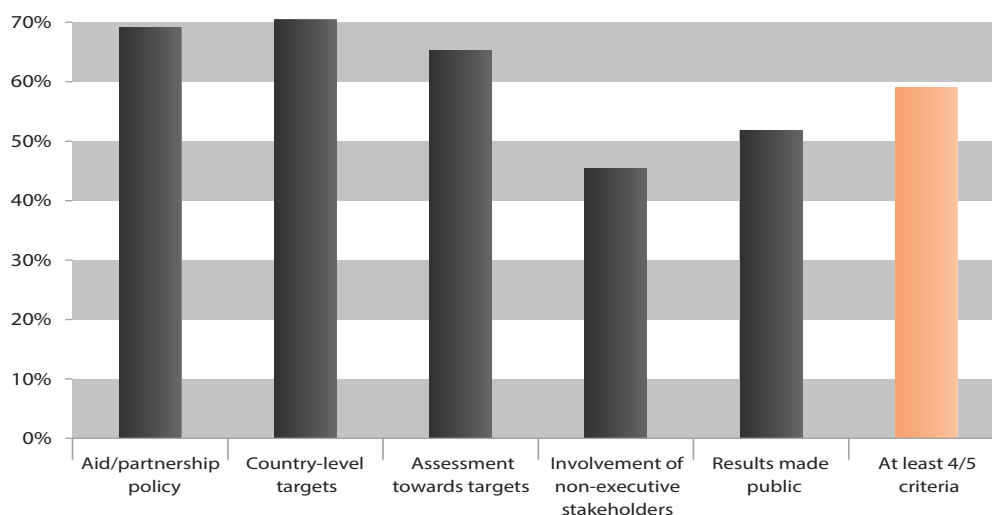
The responses against the various criteria show that 70% of countries report having an aid or partnership policy that defines development co-operation priorities (or elements of such a policy agreed through other instruments). Equally, 72% state they have specific

national targets for effective development co-operation for both government and providers of development co-operation. A joint assessment of these targets was reported to have taken place at a senior level in the past two years in 65% of the countries. The final two criteria proved to be more challenging, with no more than 46% of countries involving non-executive stakeholders and local governments in the reviews and only 52% making the results public in a timely manner.

Since 2010, an additional 11 countries now have mutual accountability despite stricter criteria used for defining mutual review processes.

While a direct comparison with the 2011 Paris Declaration Monitoring results (OECD, 2011) is not possible given the changed set of criteria,¹⁵ a simple comparison of the 38 countries that participated in both monitoring exercises suggests some progress in putting assessments into place. Eleven more countries now fulfil the necessary four out of five criteria. Conversely, three countries that previously qualified for having systems in place no longer meet the necessary criteria in light of the additional requirements for inclusivity and making the assessment results public. Of the eight additional countries that reported on this indicator in 2013, three countries (all Pacific Island countries) met four out of five criteria.

Figure 4.6. **The proportion of countries meeting the criteria for mutual assessment reviews**



StatLink  <http://dx.doi.org/10.1787/888933003231>

Complementary qualitative information provided by countries as part of their data submission supports the finding that some progress is taking place. A number of countries have established, reviewed and revised their development co-operation or partnership policy. Efforts have been made to set out tangible commitments for enhancing the effectiveness of development co-operation. This has been accompanied by efforts to strengthen monitoring and evaluation frameworks to track progress against these

commitments and targets set in development programmes and strategies, including developing regular annual review processes and clear co-ordination structures to support them. For example:

- The Government of Bangladesh and 18 development partners have revised the action plan of the Joint Co-operation Strategy, resulting in a series of tangible commitments to enhance the effectiveness of co-operation in the country.
- Ethiopia has strengthened its monitoring and evaluation framework for development programmes, including an annual review process and better data collection.
- Cambodia has reviewed and revised its partnership dialogue structure, taking steps to increasingly involve CSOs and private sector representatives.
- Lesotho has launched a new partnership policy to reflect the Busan commitments of inclusiveness.

Accountability, co-ordination and partnership frameworks depend on sector-specific development plans or programmes, financing frameworks, and the nature of co-operation and partnerships in each sector. While this indicator assesses the national situation, the inclusiveness and scope of mutual assessment reviews may vary from sector to sector. The International Health Partnership provides an example of concerted efforts to strengthen results and accountability in the health sector. It brings together country governments and development partners through country compacts to improve alignment with country systems, bring new partners into health sector co-ordination efforts and supports mutual accountability through specific indicators that track progress against agreed commitments.¹⁶

How to move forward?

- The provider community needs to raise its collective level of ambition and redouble efforts if it is to publish by 2015 timely, comprehensive and forward-looking information on development co-operation resources. To enhance the publication of information, urgent action is needed to report more frequently, using data that is less than six months old, and to overcome systemic/procedural hurdles to providing information on all agreed common standard data fields. To be more transparent about future plans, providers that do not yet publish any information should urgently start to publish at least aggregate country envelopes for future years, and aim to gradually move towards more detailed activity-level reporting.
- Further work is needed to assess the quality and usefulness of published information. Insofar as the Global Partnership transparency indicator measures the implementation of the common standard, any evolution of the indicator will ultimately be guided by the evolution of the standard itself. In line with the Busan Partnership agreement, it is recommended that further work around the common standard focus on improving the understanding of what timely, comprehensive and forward-looking information means in practice for developing countries and non-state stakeholders so that all transparency efforts respond effectively to local needs and country contexts.
- Developing country governments are faced with continued unpredictability and are managing increasingly complex resource equations where providers' disbursements both fall short of – and exceed – initial plans. Making development co-operation more predictable in the short term will require providers to: 1) eliminate remaining shortfalls

in disbursements as compared to original schedules; 2) make disbursement schedules more accurate, realistically estimating the pace of programme implementation and revising plans upwards where necessary so that they provide reliable estimates for future funding; and 3) provide government with disbursement plans in the first place.

- Medium-term predictability remains a real challenge. The Busan commitment for providers to share by 2013 rolling three-to-five-year forward expenditure plans has not been implemented. Forward expenditure plans for the third year ahead now cover just over half of estimated expenditure. Urgent action is needed from providers to adjust policies and procedures so that medium-term co-operation plans can be regularly updated and communicated to developing countries and broader stakeholders. Where changes in legislation, policies or procedures are required, revitalised political leadership is urgently needed to implement commitments and make medium-term predictability a reality.
- Targeted efforts are needed to make mutual review processes more transparent and inclusive, extending participation to emerging providers, civil society organisations and the private sector. While some countries have taken positive action to strengthen inclusiveness of partnerships, mutual accountability frameworks and joint assessment reviews continue to be undertaken mostly between the government and traditional providers of development co-operation. The 2015 target of all developing countries having in place mutual review processes is so far only half met – this calls for urgent action to strengthen existing structures or create new ones.

Notes

1. For a list of providers who have published their schedules, see www.oecd.org/dac/aid-architecture/acommonstandard.htm. Some countries provide ODA through more than one agency and therefore have produced separate implementation schedules for each of their agencies. One private foundation also issued its implementation schedule by the December 2012 deadline.
2. The full indicator methodology is available on the website of the Global Partnership for Effective Development <http://effectivecooperation.org/progress>. To develop this indicator, the joint UNDP-OECD support team drew on feedback from the Ad Hoc Group on the Common Standard and consulted Global Partnership members in 2013 to gather feedback on the construction of the indicator.
3. In assessing timeliness of reporting, the difference between the two systems assessed should be noted: the CRS is populated only once a year with statistically verified data, while the IATI publisher is populated more regularly, but with some data which is still to be statistically verified.
4. It should be noted that the common standard was built on the basis of the CRS system and expanded to include more fields. Therefore not all fields of the common standard are present in the CRS. Furthermore, optional IATI fields are excluded from the assessment.
5. The IATI registry, see: www.iatiregistry.org.

6. Country programmable aid (CPA), this is the portion of ODA that providers programme for individual countries. CPA seeks to capture the portion of flows that go directly to developing countries from the overall ODA envelope. For more information, see www.oecd.org/development/aid-architecture/cpa.htm.
7. In assessing providers of ODA the pilot excludes non-governmental organisations and foundations. The most recent available reporting has been assessed: 2012 reporting for the CRS and reporting up to December 2013 for IATI.
8. These three countries are Poland, Slovak Republic and Slovenia.
9. At the time of assessment, seven providers actively applied a non-disclosure policy to their Forward Spending Survey data. One additional provider has not responded to the request by the OECD of whether they wanted their data to be made public, and therefore their data was not published. Revoking this non-disclosure policy would substantially improve these providers' score on forward-looking information.
10. The joint support team explored the possibility of calculating a reference baseline for early 2012, but this was finally found not to be feasible in light of limited time and resources. Furthermore, it was considered that a 2012 reference baseline would not necessarily add much value to the analysis as the data would show limited change over a single year.
11. For more information, see OECD (2013) and the work on the Aid Transparency Index of Publish What You Fund: <http://ati.publishwhatyoufund.org/>.
12. In requesting the joint support team to develop this indicator, the WP-EFF specified that the indicator should not involve collecting new data at the country level.
13. The OECD-DAC has since 2007 annually conducted surveys collecting forward spending plans from the largest bilateral and multilateral providers of development co-operation. These surveys offer a tool to systematically collect information on providers' indications of future resource allocations and subsequently to assess the degree of providers' predictability by comparing planning information with actual disbursements. While the FSS is not a substitute for providers' efforts at country level, it provides a tool also for developing countries to triangulate the information available and complement it if necessary. See www.oecd.org/dac/aid-architecture/aidpredictability.htm.
14. This technical term is used for a budget framework with a clear end date (cliff edge) that is revised only before the end date is reached as opposed to on a rolling basis.
15. The three criteria used in Paris Declaration monitoring efforts broadly corresponded to the three current criteria of having in place an aid partnership policy and country level targets, as well as conducting reviews in an inclusive manner. However, it should be noted that in 2013 the inclusiveness criterion *requires* active involvement of non-executive stakeholders, whereas previously their engagement was merely encouraged.
16. For more information, see www.internationalhealthpartnership.net/en/key-issues/compacts.

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