



Joint Venture on Managing for Development Results

5-6 March 2008

ROOM DOCUMENT (2) – AGENDA ITEM 10

Mutual Accountability at the International Level – Background Paper: Review of Individual Mechanisms –

This document was submitted by the United Kingdom.

**PARIS DECLARATION ON AID EFFECTIVENESS:
STUDY OF EXISTING MECHANISMS TO PROMOTE
MUTUAL ACCOUNTABILITY (MA) BETWEEN DONORS
AND PARTNER COUNTRIES AT THE INTERNATIONAL
LEVEL**

BACKGROUND PAPER

REVIEW OF INDIVIDUAL MECHANISMS¹



Oxford
Policy
Management

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Introduction

This review follows the methodology established in the main paper. The approach is based on the four key elements of an effective **collaborative** accountability mechanism.

1. **Evidence:** This dimension concerns technical credibility based on definition, quality, clarity, lack of bias, and availability of performance information (which is the 'currency' of accountability). This evidence-base is delivered through effective monitoring. Key questions include:
 - Definition: Are objectives, roles and responsibilities clearly defined?
 - Transparency: Are findings and methodologies openly and easily available on a timely basis?
 - Candour: How objectively and frankly does the mechanism analyse and communicate comparative performance?
 - Monitoring: Is performance monitored, benchmarked and reported on a regular basis?
 - Capacity: Do mechanisms have adequate technical, human and financial resources to exercise their role?
 - Rigour: Are processes intellectually rigorous and technically robust?
 - Analytical independence: Are processes compromised by political sensitivities and interference?

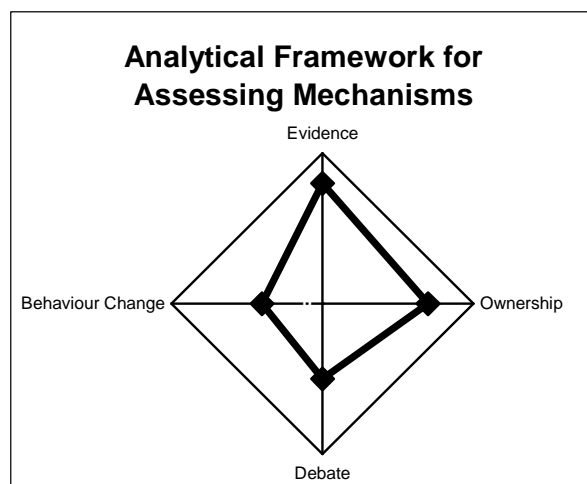
2. **Ownership:** Within a mutual cooperation framework, this dimension is clearly crucial. Where frameworks are collaborative and voluntary, it is crucial to foster the emergence of stronger consent, commitment, credibility, trust and common values. Given the complexities of aid accountability relationships, effective mechanisms need legitimacy among a wide range of stakeholders, including donors, partners and civil society. They should also seek to reinforce commitment to the agenda, as well as building trust among peers, enhancing the quality of peer networks and promoting the emergence of common values. For example:
 - Legitimacy: Is there 'consent' of participants? In other words do relevant stakeholders accept the role, existence and approach of the mechanism within the overall accountability 'architecture'?
 - Commitment: Do mechanisms lead to increased ownership and commitment to the agenda? (Of course, levels of ownership and commitment by different stakeholders may differ within mechanisms.)
 - Trust: Do processes build trust among peers and enhance the quality of peer networks?
 - Coherence: Is the mechanism consistent with, and supportive of, Paris Declaration principles and aims (e.g. minimising transaction costs, supporting domestic accountabilities and country-level mutual accountability frameworks)?
 - Values: Do mechanisms contribute positively to mutual understanding and expectations around commitments and goals?
 - Participation: Do mechanisms attract and maximise the involvement of relevant stakeholders.

3. **Debate:** This concerns the extent to which mechanisms stimulate informed debate and ensure parties provide clear reasoning for performance – through informal or formal mechanisms. Questions include:

- Profile: Do mechanisms catalyse political, technical and social discussion – either in formal or informal fora?
- Awareness: Are relevant stakeholders aware of mechanisms and their messages?
- Responsiveness: Do mechanisms generate reasoning for actions taken?

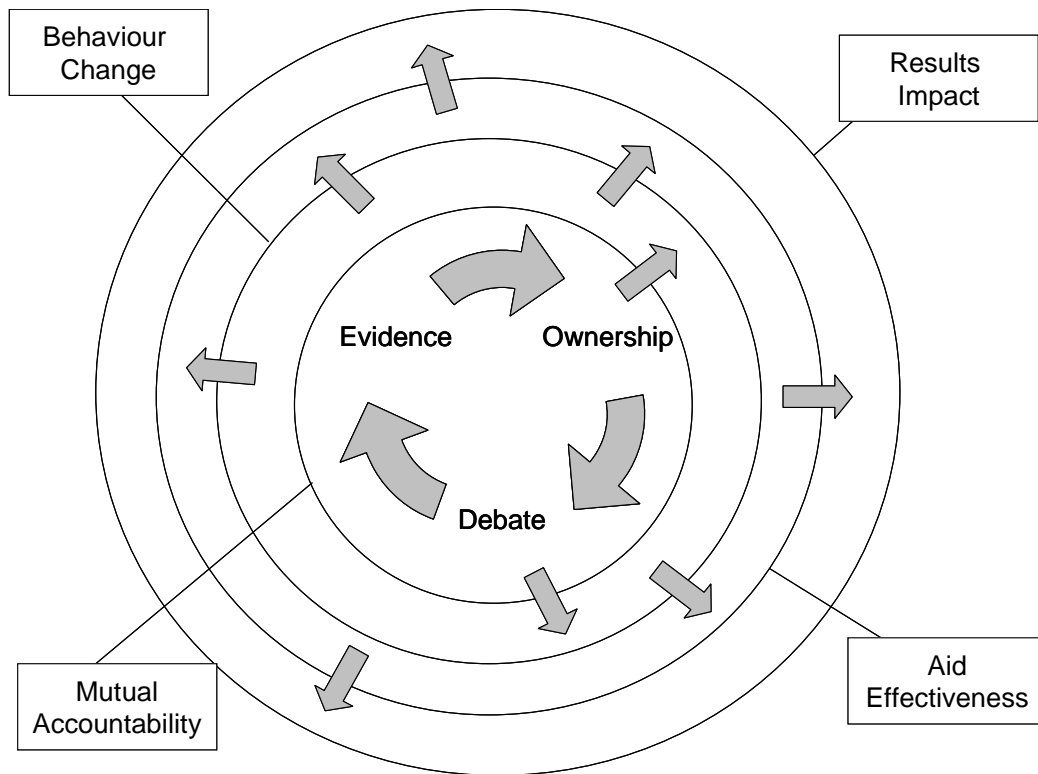
4. **Behaviour change:** The accountability impact of mechanisms – which follows from levels of Evidence, Ownership, and Debate -- can be termed '**Behaviour change**'. By extension, this is what leads to development results on the ground. Behaviour change can be secured through external compulsion (e.g. sanctions) or own-adjustment. Elements include:

- Traction: Do mechanisms catalyse actions, at the political, or senior technical, level?
- Enforcement: Do mechanisms ensure that, where necessary, corrections will be made?
- Impact: What is the impact of the mechanism in strengthening development results on the ground?
- Mutual learning: Do mechanisms catalyse adaptive learning processes?
- Potential: What is the potential of the mechanism to play a strengthened role in the future?



“Diamond charts” that illustrate these dimensions visually will be used. These four dimensions can be seen as a set of mutually-reinforcing factors that contribute to greater mutual accountability. This in turn will generate more effective implementation of the aid effectiveness agenda which in turn increases development impact and accelerates progress towards the Millennium Development Goals (MDGs) and other development objectives. The chart below sets out a simplified visual representation of this dynamic.

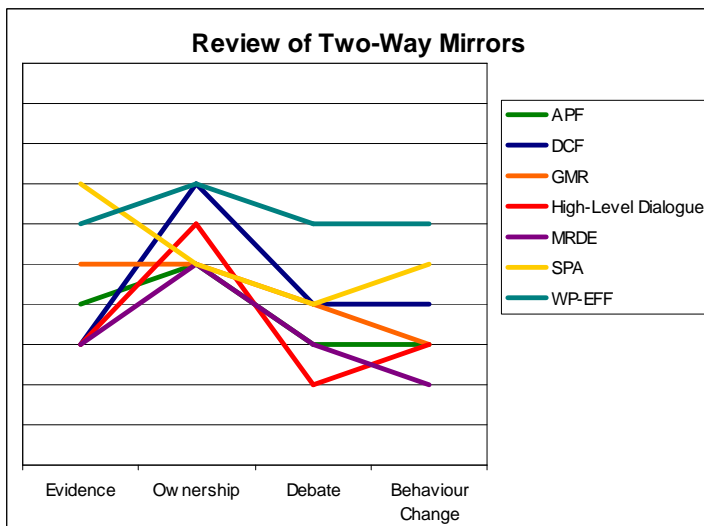
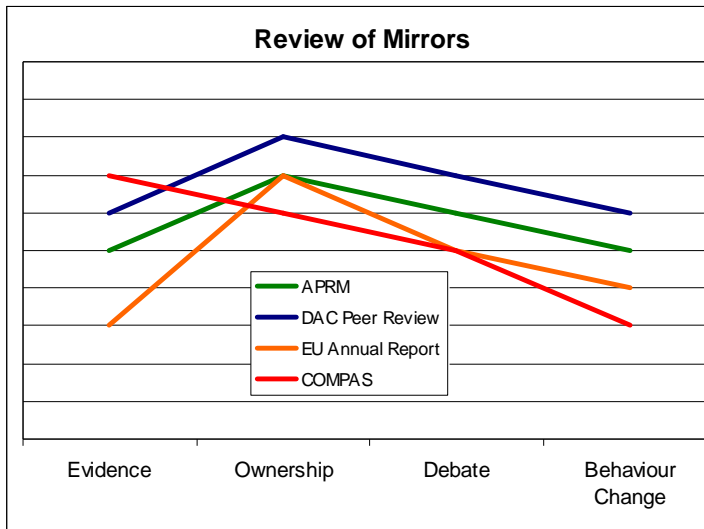
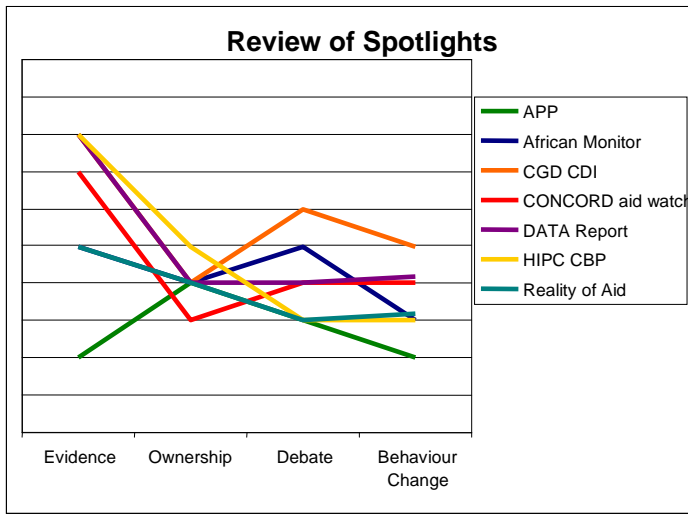
Box 1.1 The foundations of mutual accountability and results impact



It is important to stress that this is a pragmatic methodology. The mechanisms assessed are very diverse in terms of procedures, objectives and scope. The methodology seeks to create a platform that can support structured analysis and policy dialogue. It is also important to stress that the assessments are made purely in terms of mutual accountability. A low rating does not reflect an overall judgement that a mechanism does not have an important role and contribution outside of mutual accountability or that it would not be a useful complement to other mechanisms for mutual accountability. It simply reflects a judgment as to relative importance of that mechanism *per se* for mutual accountability.

Finally, of course, we acknowledge that the assessments are necessarily subjective. The assessments are necessarily subjective, based on a combination of stakeholder consultation, research and the experience of the consultancy team. If the approach is considered valuable, consideration could be given to extending it in the future through a modest-sized survey of stakeholders, including donors, partners and CSOs.

Summary of Findings

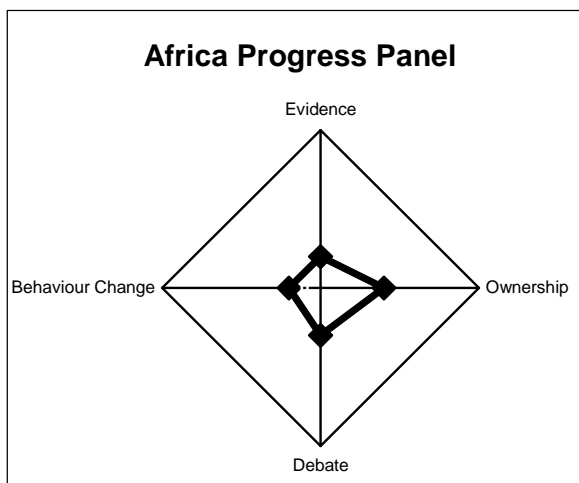


1 Africa Progress Panel (APP)

In 2005, the Commission for Africa recommended the establishment of an independent mechanism to monitor implementation of commitments and report on progress in Africa. Following on from this, in 2006, Tony Blair announced the establishment of the Africa Progress Panel as a mechanism to ensure promises to Africa are kept, and asked Kofi Annan to serve as Chair.

The Panel is an independent body with a membership comprising a range of eminent individuals. In

addition to Kofi Annan, the Panel currently consists of Tony Blair, Michel Camdessus, Peter Eigen, Bob Geldof, Graça Machel, Olusegun Obasanjo, Bob Rubin, Tidjane Thiam and Muhammad Yunus.



The objective of the Panel is to focus world leaders' attention on delivering on their commitments. Panel members aim to draw on the expertise of institutions working on African issues to present a rigorous and independent assessment of progress. Formally established in June 2007, to date the APP has issued an initial baseline Communiqué assessing the current situation and setting out priorities for future actions. In September 2007 it also issued the 'Africa Progress Panel Summer Statement'. This short statement reflected on the mid-point of the MDGs and reiterated the commitment of the Panel to play an accountability role in strengthening delivery of commitments by both donors and partner countries.

Evidence

The influence and expertise of the Panel is impressive and the analytical quality of the material produced to date is high. However, the analysis and assessments are relatively high-level and aggregated, reflecting the rather general mandate of the mechanism.

Ownership

Given the wide range of membership – reflecting public, private and third sector, as well as south and north, the mechanism has the potential to secure a role as an authoritative and legitimate broker of mutual progress. It does though have the initial disadvantage of being strongly associated with a single donor government – the UK.

Debate

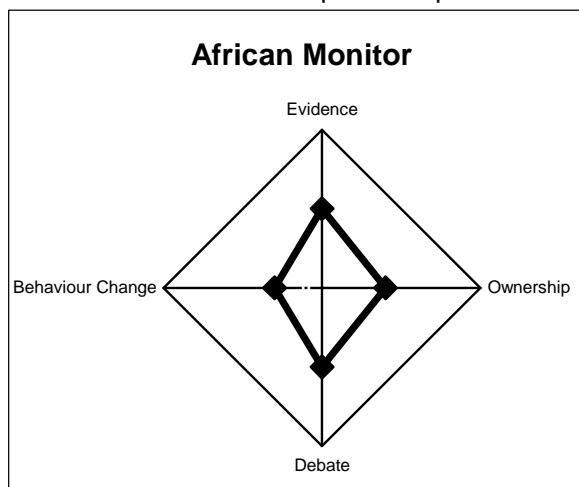
The high-profile and influence of the Panel members delivers a certain level of awareness. This means there is certainly potential for the mechanism as a whole to achieve significant official and media attention. However, up to now, perhaps reflecting the early stage of development of the mechanism and the limited quantity of outputs, this has not yet been realised.

Behaviour Change

The Panel operates at a high level so concrete impact on behaviour change will be particularly difficult to identify. In any case, it is at an early stage in its life. Nevertheless, given the influence of members, the potential is there for impact.

2 African Monitor

The African Monitor (AM) was launched in 2006 as an independent pan-African organisation 'which acts as a catalyst to monitor development funding commitments, delivery and impact on the grassroots'. Grassroots is defined as the poor majority who live in rural areas and the urban poor. The AM aims to drive changes at this level by networking to bring additional African voices to the international development debate, using advocacy at the local and international level, and generating research and evidence.



The AM has developed three core instruments to achieve its mission:

- The **Development Support Monitor (DSM)**, based on secondary data, is a complete catalogue of development promises, pledges and commitments to Africa, covering commitments since 2005, by African governments and international donors. The November 2007 publication of the DSM maps out the baseline position. Subsequent annual reports will monitor progress thereafter².
- The **Synthesis Report** is a periodic synthesis of country or issue-specific primary research commissioned by the AM. It provides grassroots perspectives on development priorities and impact. The 2007 report is based on research conducted in Chad, Ghana, Mozambique and Rwanda³.
- The **Grassroots Focus Index (GFI)** aims to measure the extent to which African governments and donors prioritise the grassroots in policy, sector focus, budget focus, service delivery and participation. It is designed to influence grassroots focus in development.⁴

From the perspective of international accountability for aid effectiveness, the **DSM**, which sets out a matrix of promises and commitments made by donors and African governments to support development is the most relevant instrument.

Evidence

The DSM is a high-quality product. It sets out the relevant collective commitments of donors and partners in a clearly structured way. Monitoring promises to be regular and transparency promises to be high as the exercise proceeds. As a non-official

² AM (2007) Development Support Monitor 2007: Baseline Matrix of Development Support Promises and Delivery to Africa

³ AM (2007) Grassroots: The Missing Link in Aid Delivery and Development Support, Synthesis Report

⁴ AM (2007) The Grassroots Focus Index: A Tool to Measure the extent to which African Governments and Development Partners Prioritize the Grassroots in their development activities

mechanism, analysis is unlikely to be compromised by political sensitivities. In the area of development assistance, the focus of analysis is on volumes, including disaggregated ranking of donor performance. On aid effectiveness, analysis is more limited, with untying the only area with quantitative data.

Ownership

In common with other non-official 'spotlight' organisations, the AM has inevitably limited legitimacy, particularly among donors, as a source of accountability. Nevertheless, it is a Southern-driven initiative, with the high-profile leadership of Njongonkulu Dungane, the Archbishop of Cape Town. Its advisory council, the Togona is also composed of respected African public personalities. It was formed after extensive consultations with a wide range of stakeholders in Africa, and has established high level relations with pan African bodies. As a result, it has secured strong credibility, among African official circles, CSOs and donors in a relatively short period of time. This wide-ranging credibility is perhaps the AM's key asset and offers a platform to contribute to mutual ownership as the mechanism's technical credibility strengthens.

Debate

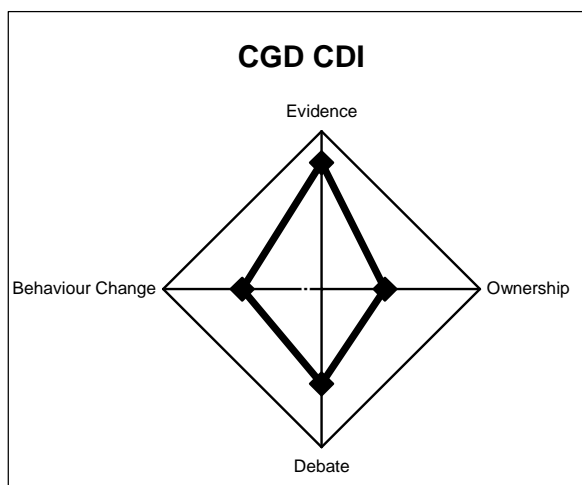
Awareness of the DSM is fairly high among relevant stakeholders. AM envisages the DSM supporting its advocacy activities, including participation at major international aid events, together with information dissemination and publications. At this stage, as an incipient mechanism, the debate generated has been limited. Furthermore, the general nature of the analysis on aid effectiveness means that it has not triggered specific demands for explanation and justification from individual donors.

Behaviour Change

This is a communications and advocacy tool – not a direct compliance one. It is designed to secure behaviour change indirectly – through providing quality information. As a relatively new mechanism, the AM is still building both the technical credibility (i.e. evidence) and political credibility (i.e. ownership) necessary to catalyse debate and action. At this stage, the mechanism is not sufficiently evolved to be engineering behaviour change, particularly from donors. Nevertheless, the focus on the grassroots (e.g. through the GFI) has the potential to offer an authoritative source of information on donor and government policy impact on the voiceless and invisible. This could be a significant contribution to the overall accountability system.

3 Center for Global Development (CGD) Commitment to Development Index (CDI)

CGD is an independent, not-for-profit think tank that works to reduce global poverty and inequality by encouraging policy change in the U.S. and other rich countries through research and engagement with the policy community. The Commitment to Development Index (CDI)⁵ ranks 21 of the world's richest countries on how much they help poor countries build prosperity, good government, and security. Each country gets scores in seven policy areas, which are averaged for an overall score. These areas



include aid, debt and trade, as well as environmental, security, and immigration policies. The Aid Policy dimension combines quantitative and qualitative measures of official aid, as well as fiscal policies that support private charitable giving. The quantitative measure is net transfers. The qualitative factors are: a penalty for tying aid; a discounting system that favours aid to poorer, better-governed recipients; and a penalty for "project proliferation." The CDI has been published since 2002. Initially supported by the Rockefeller Foundation, a CDI consortium has recently been formed, including eleven development agencies, to provide financial support. The CDI has an increasingly high profile, attracting media attention and legislative engagement in a range of donor countries⁶. Responses range significantly between countries and some challenge both the methodology and findings.

Evidence

The CDI scores highly on this dimension. The aim is clearly stated, findings are easily available (as is the methodology) and the exercise is undertaken on an annual basis. The initiative is adequately resourced and run by a high-quality team. Within the data and methodological constraints of an exercise like this, the process is technically strong and has strong analytical independence.

Ownership

By its nature as an external, non-official mechanism, the Index would not be expected to score highly on this dimension. The analytical process is not one that builds trust and networks among donors. Nevertheless the creation of the CDI Consortium including many donors is an important step on this dimension. In spite of being an external mechanism, there is evidence of strong and increasing donor 'buy-in'. The approach (e.g. overall policy coherence rather than just quantity and quality of aid) is also one that contributes positively to framing and advancing the overall development debate. Overall then, the potential exists for the initiative to contribute more along this dimension. One issue relevant to the assessment is the low-level of

⁵ http://www.cgdev.org/section/initiatives/_active/cdi/

⁶ Center for Global Development (CGD): Evaluation of Impact, Arabella Advisors (December 2006); <http://www.arabellaadvisors.com/CGDreport/CGDWeb.pdf>

involvement and engagement of partner countries (both governments and civil society).

Debate

Profile and awareness of the CDI is strong, particular for an external, non-official 'megaphone' mechanism. The Index is well-known in most donor countries⁷. There has certainly been significant discussion in official circles, parliaments and the media, particularly in northern European countries (e.g. UK, Netherlands, Sweden, Germany). Even in countries (e.g. US, Japan, France) where the methodology is questioned (and which tend to rank lower) there is high awareness among officials and often detailed responses to the index.

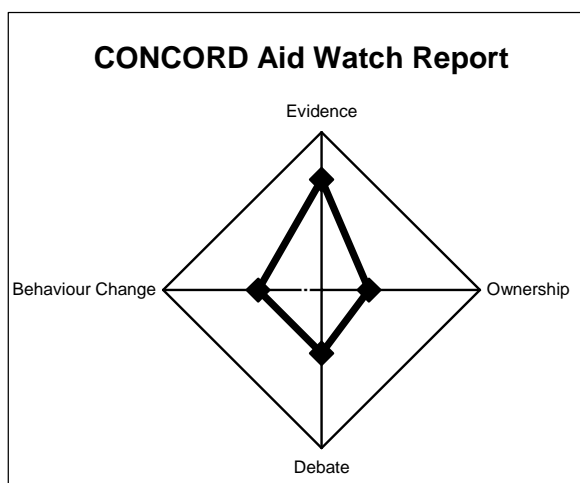
Behaviour Change

This is a communications and advocacy tool – not a direct compliance one. It is designed to secure behaviour change indirectly – through providing quality information. Nevertheless as a high-quality source of information that clearly ranks donors, the mechanism has achieved increasing traction. Its role in shaping the terms of the aid effectiveness agenda and catalysing debate within countries is clear. The Index's conception of aid effectiveness is consistent with that of the Paris Declaration. The Index has also been used as an input into official mechanisms. For example, the Dutch government has adopted the CDI as one of its external performance standards for development. This is integration of external international measures into 'hard' domestic accountability mechanisms is one which offers an interesting insight into the way that overall aid effectiveness accountability might evolve.

⁷ Arabella Advisors, Op. Cit..

4 CONCORD EU Aid Watch Report

The Aid Watch report is part of a broader initiative by a range of organisations and networks under the umbrella of CONCORD, the European confederation of development and relief NGOs. The objective is tracking and advocacy in all EU member countries, and of the European Commission, around commitments made on both aid quality and quantity. The report is published annually with the second one launched in 2007.



On aid quantity, the approach takes as its reference point the collective commitments made by EU governments in recent years (see European Consensus on Development). It scrutinises volume reporting by the OECD DAC. Additionally, it also deflates figures by excluding what it terms ‘non-aid’ items (e.g. domestic costs of housing refugees, domestic subsidies for educating foreign students, debt relief). This analysis is supported by the work and methodologies of organisations like the European Network on Debt and Development (Eurodad) and ActionAid⁸. On aid quality, the focus of the report is on issues like tying of aid, poverty focus of aid allocations and accuracy and timeliness of reporting – rather than Paris Declaration indicators of aid effectiveness.

Evidence

Definitions are clear and information is easily available. The reporting is done on an annual basis and performance of individual donors is clearly disaggregated. The exercise harnesses the capacities of the European NGO network, drawing in particular on the expertise of Eurodad. While the analysis is high-quality, some question whether it is justifiable to discount debt relief (or other categories) completely. On aid effectiveness, the analysis plays a useful role supplementing those indicators within the PD with others on which agreement was not possible (e.g. aid tying). The exercise is fully independent from official processes and there are no constraints on the strength of the messages delivered.

Ownership

As a mechanism external to donors, the score on this dimension is not very high. There is no process or forum though which outcomes and actions are considered. Nevertheless, by using an EU-wide approach, the exercise taps into the strength of the existing EU peer network. As a result, raising the profile of the various government commitments across the EU appears to be increasing official attention and focus on the targets, particularly in some of the less-committed countries.

Debate

While the exercise has no official status, it is clear that the creation of an EU-wide approach has leveraged the influence and profile of individual NGOs. This is seen in increased media coverage as well as reported evidence of increased access for

⁸ Real Aid: An Agenda for Making Aid Work. ActionAid International (June 2005)

NGOs, in particular in countries with lower levels of commitment to the aid effectiveness agenda and less official engagement traditionally with development NGOs.

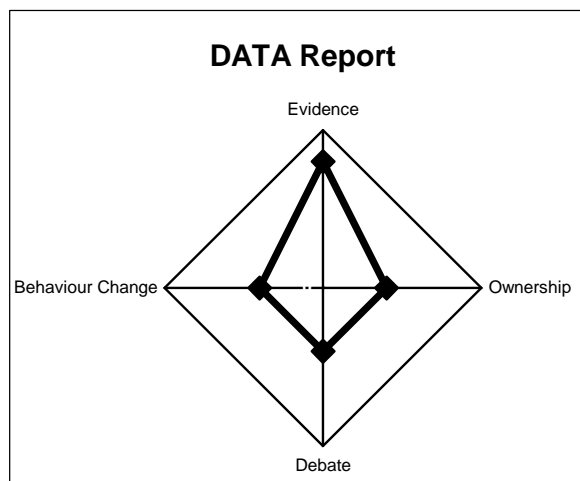
Behaviour Change

The role of this mechanism is more focused on advocacy (i.e. securing indirect behaviour change). It appears to have an important potential indirect role in complementing official monitoring and accountability mechanisms (for example around the EU Consensus on Development). First of all, by raising the profile of the commitments, it reinforces attention to official processes. Secondly, by questioning the scope and definition of targets, it contributes to the debate on compliance.

60-70% of total official development assistance (ODA) is from the EU. EU government tend to be among those more committed to the aid effectiveness agenda (as defined in terms of the Paris Declaration). The mechanism therefore focuses on generally more committed donors. It has the potential to act as an important complement to official processes, particularly within the EU, of monitoring and accountability (both in raising their profile and challenging their scope). There are particular potential synergies with the EU Annual Report on Financing for Development.

5 DATA Report

DATA is an advocacy organization dedicated to eradicating extreme poverty and AIDS in Africa. It was founded by, among others, Bono. DATA played an active role in campaigns in 2005 to press G8 countries to commit to additional aid resources and other development commitments. Since then DATA has produced an annual report which seeks to monitor these commitments and hold government leaders to public account. The 2007 DATA Report is the second annual report.



Evidence

The report is of extremely high quality – both presentationally and analytically. The scope and purpose is clearly defined (i.e. monitoring implementation of G8 promises on Africa) and findings are clearly and frankly set out. The process is regular and technically rigorous. Analysis is based on existing data (OECD/DAC in the case of aid). The section on aid is focused on volumes and also assesses progress on untying as a proxy for aid effectiveness overall.

Ownership

As a mechanism external to donors, the score on this dimension is inevitably constrained. There is no formal process or forum through which outcomes and actions are considered. Nevertheless, the legitimacy of groups and individuals like Bono and DATA to engage in G8 debates on development now seems to be well-established and rarely questioned even within governments. This, coupled with the clarity and technical credibility of the report, means the existence of the mechanism is accepted and even welcomed. The report has a specific focus (Africa, G8) so is not viewed by partner countries as a comprehensive mechanism for wider mutual accountability, nor as a tool directly-linked to their country-level priorities. Nevertheless, they express strong support for its objectives, as do CSOs.

Debate

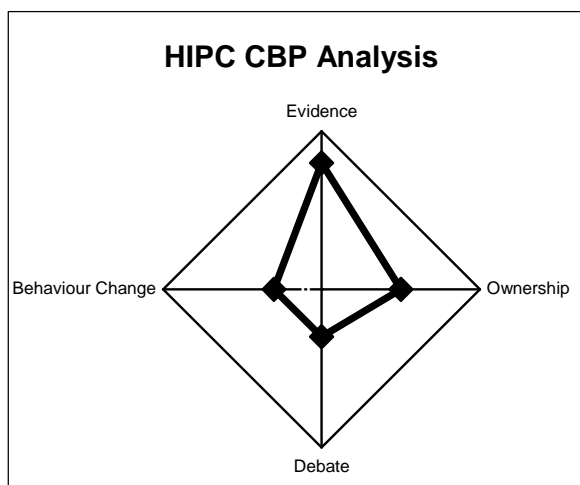
The mechanism has no direct mechanisms to require response and justification. Nevertheless, based on the high-profile and access of Bono, as well as the quality and accessibility of the information, the report has an high, and rising, profile. In the absence of official G8 accountability mechanisms that are able to present such clear and disaggregated information on performance (especially on the donor side) it has become a central vehicle for underpinning debate, in both official and non-official circles on G* performance against commitments.

Behaviour Change

As with Debate, the mechanism has no formal direct role on behaviour change. Nevertheless, in the same way that DATA, Bono and other campaigners have demonstrated an ability to influence G8 commitments through advocacy, so it is reasonable to expect that a similar approach can influence accountability around those commitments. We would anticipate a growing impact for this mechanism, in particular in combination with other mechanisms.

6 HIPC Capacity-Building Programme (CBP) Analysis

The HIPC CBP Analysis is facilitated by Debt Relief International (DRI) with a number of developing-country partner run organisations (including BCEAO/BEAC, Pole Dette, CEMLA, MEFMI, WAIFEM⁹). DRI is part of the Development Finance International Group, a non-profit capacity-building, advisory and research group. DRI focuses on developing country public sector external and domestic debt and new financing strategy and analysis. Its main programme is the Heavily



Indebted Poor Countries Capacity-Building Programme (HIPC CBP). The HIPC CBP is a capacity building programme financed by a number of bilateral donors. It assists HIPC countries to design and implement public sector external and domestic debt and new financing strategies. Alongside these activities, the CBP has also prepared a methodology to enable HIPC governments to assess the quality of aid they receive¹⁰. The development of this assessment tool was driven by the desire expressed by HIPC countries for more systematic monitoring of donor delivery of commitments on aid quality, at the individual recipient country level. It also aims to support the empowerment of countries to lead the monitoring of the improvement of aid quality themselves. The methodology was revised and updated in 2006 to reflect HIPC priorities as well as changes in the international aid architecture such as the Paris Declaration. It comprises 34 criteria, grouped under 22 headings including the Paris Declaration's aid effectiveness indicators, as well as other issues important to HIPCs, such as concessionality, conditionality and flexibility of donor resources.

Evidence

The mechanism scores well on this count. The definitions are clear and findings are published regularly in the HIPC CBP Newsletter¹¹, including disaggregation by donor. They are also set out in other papers published by DRI. Nevertheless, publication could be more systematic and regular. The monitoring exercise is done by one third of the countries each year on a rolling basis - so updated every three years. It is based on comprehensive analysis of donor and partner documents and data by around 10-15 aid management officials in the partner country. By capturing issues like concessionality, conditionality and flexibility it reflects country definitions of aid effectiveness more comprehensively than many other mechanisms. Almost all HIPC countries are covered. Coverage of donors depends on specific countries. It is noteworthy that Southern donors are covered when they are significant. The

⁹ Details of organisations can be found at www.hipc-cbp.org

¹⁰ Johnson, Alison, M Martin and H Bargawi (2004), *The Effectiveness of Aid to Africa since the HIPC Initiative: Issues, Evidence and Possible Areas for Action*, Background Paper prepared for the Commission for Africa (Secretariat),

¹¹ *Strategies for Financing Development: The Newsletter of the HIPC CBP and the FPC CBP*

methodology has been updated to integrate the Paris Declaration indicators. The mechanism also scores well on independence and has a capacity-building approach. In particular, it has found a way for developing country officials to analyse donor performance frankly and in terms of their own priorities and definitions. This is not always easy to achieve given the incentives in place.

Ownership

As a mechanism external to donors, the score on this dimension is not very high. There is no international-level process or forum through which outcomes and actions are considered. Nevertheless, the analysis has been used in UN discussions on how to widen indicators of aid effectiveness and accountability as well as supporting partner country dialogue on priorities in the run-up to the Accra HLF. Further, as pointed out above, the participation of recipient countries is important. Indeed, to the extent that ownership of partners increases and the analysis is increasingly used as a tool in donor-partner country dialogue, direct donor ownership may be secondary.

Debate

The profile and awareness of the mechanism are limited, particularly within official donor agencies. To an extent this reflects the history and intended purpose of the instrument. It emerged largely as a by-product of the parallel capacity-building efforts. It is not branded, or promoted and disseminated, as a self-standing accountability mechanism. We are not aware of countries using them extensively as a tool to push changes in donor behaviour although they can be referred to in donor-partner dialogue. Nevertheless, among those aware of it, it is regarded as a credible and independent source of information. This is particularly true for civil society and for recipient countries, particularly the group of HIPC Finance Ministers. Awareness in recipient countries is frequently limited beyond Ministries of Finance.

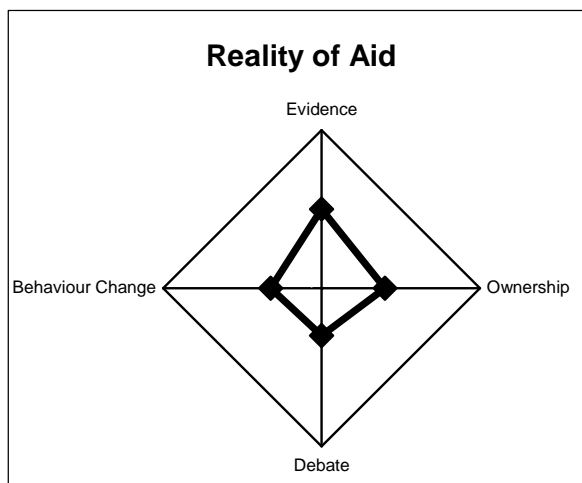
Behaviour Change

The mechanisms cannot be said to have a significant direct impact in shifting donor behaviour on the ground. Nevertheless, it is used as a tool by some partners in assessing the relative features of the donor resources available to them and then informing decision-making and dialogue. As such it acts as a tool to empower partners in holding donors to account. CSOs also find it a valuable and credible source of information on donor performance. The level of southern engagement is of course a key strength – and carries lessons for other ‘spotlights’ – as does the capacity-building approach. These aspects, together with a conception of aid effectiveness that reflects southern perspectives and goes wider than the PD, suggest potential for an expanded role in the future. The differences between findings of the HIPC CBP assessment and those of the Paris Declaration Baseline Monitoring Survey suggest an additional possible synergetic role in moderating other accountability mechanisms. For example, HIPC CBP finds use of programme-based approaches at 35% compared to 43% for the PD Survey. Donor use of country systems stands at 29% for HIPC CBP compared to 40% and harmonisation of missions jointly with other donors is 7% (HIPC CBP) compared to 18%. These differences may of course be because the sample countries are different. As an aside, it also raises questions about the desirability of independence (or an adjusted process) for the PD Baseline Survey. The aggregated results of the analysis has also served as an advocacy tool to contribute information to the aid effectiveness debate (in particular providing southern perspectives) and to underpin calls for more formal mutual accountability processes¹².

¹² Johnson, A., and Martin M., Empowering Developing Countries to Lead the Aid Partnership: UNDP Human Development Report Office, Occasional Paper (2005)

7 Reality of Aid Report

The Reality of Aid project is an international non-governmental initiative bringing together more than 40 civil society networks from both north and south. It aims to achieve better policies and practices in the international aid system through research on international aid performance, facilitation of collaboration and shared learning between CSOs, lobbying and policy dialogue and increased public knowledge and awareness.



One activity of the project is the biennial Reality of Aid Report. It is produced by contributions from the project's network and contains qualitative analysis of the national and multilateral aid regime, often with a thematic focus. The quantitative, comparative analysis is largely around volume and allocation. The report seeks to be a complement and a corrective to official publications and processes on aid effectiveness.

Evidence

The objectives are clear as are the data sources. Reporting is easily available and the exercise is done on a regular (biennial) basis. The report draws on a huge network to deliver strong, largely qualitative analysis. Where analysis is quantitative it is focused on volumes and allocation. The exercise is also clearly fully intellectually independent.

Ownership

As an mechanism external to donors, the score on this dimension is not very high. There is no process or forum though which outcomes and actions are considered. Nevertheless, the mechanism does contribute to greater awareness, engagement and ownership of aid effectiveness issues both within CSOs and to the public more widely.

Debate

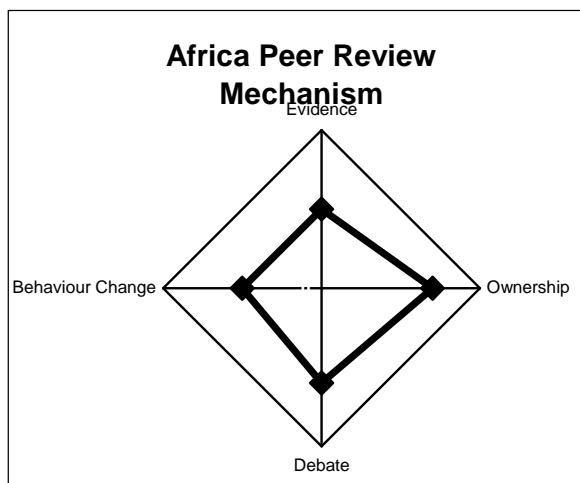
While the exercise is very successful in drawing together NGOs from both south and north, its profile within donors and recipient countries is limited – certainly compared with some of the other external 'megaphones'. There is little evidence of debate and actions being catalysed within donors.

Behaviour Change

The report is more narrative than quantitative so is not designed as a concrete accountability tool. Nevertheless, to the extent that the exercise leverages advocacy activities (e.g. secures access and attention with official donors and into inter-governmental processes, the report has an indirect behavioural impact.

8 Africa Peer Review Mechanism (APRM)

The APRM was established by the African Union (AU) as a voluntary instrument to help member countries to improve their governance. The review covers the four NEPAD focus areas of good political governance, economic management and governance, corporate governance and socioeconomic development. The APRM was adopted at the Durban AU summit in 2003. To date 27 countries out of the 53 members of the AU are members or have applied for membership.



The APRM framework is aimed at encouraging and building responsible leadership through a self-assessment process, constructive peer dialogue and the sharing of information and common experiences. It works through a process of non-adversarial review, the purpose being to assist participating countries 'develop and adopt laws that support political stability, high rates of economic development, sustainable development, and continental economic integration.'¹³

Accession entails undertaking to submit to periodic peer reviews and includes commitment to implementing the National Programme of Action (NPOA) arising from the peer review. Countries are due a review within 18 months of joining, and thereafter, periodic review every 2-4 years. Countries initially undertake a self assessment involving a wide range of stakeholders. This is followed by a country visit by the Panel of Eminent Persons, supported by the APRM secretariat. The visit involves wide ranging consultations with diverse stakeholders. Compilation and submission of the report then follows. To date, six of the APRM member countries have been reviewed.

Evidence

An underlying principle is that the review should be technically competent, credible, free of political manipulation and publicly-available. In addition to the local assessment and the assessment by the Panel of Independent Eminent Persons and the APRM secretariat, the APRM provides for assessment by respected institutions such as the UN Economic Commission for Africa (UNECA) and the African Development Bank (AfDB). The secretariat can also commission African research and academic institutions to ensure that the technical content of the review is strong. Reports up to now have reasonably reflected the state of governance in countries assessed. The areas for review are clear and agreed in advance. In addition, the APRM has developed detailed indicators for each of the four focus areas to clarify the assessment. The assessments are largely qualitative and have sometimes tended to avoid controversy, particularly on political governance issues. Furthermore, the pace of reviews has been slow and the Secretariat finds it hard to manage the

¹³ APRM document (Annex 2) adopted at the 38th Ordinary Session of the Organisation of African Unity, 8th July 2002, Durban, South Africa

burdens, including guidance and training. The charter of the APR Panel, a critical tool for the mandate of the process, has yet to be agreed.

Ownership

This is a strength. The APRM is fully supported by the AU at the Heads of State and Government level, and has the support of non-state actors, academics, as well as donors. The process has created a dynamic towards wider participation. The non-adversarial nature of the review builds confidence and trust. Peer learning is evident at many levels – among emerging networks of civil society organisations (CSOs), researchers, governing councils, focal points, heads of state across countries.

Debate

The mechanism has a track-record of initiating national debates on governance in the countries where reviews have been undertaken. South Africa is a recent example. The results are taken seriously by key stakeholders such as government and civil society. In addition, the APRM process provides for review by bodies such as the UNECA and the AfDB. Credibility and effectiveness could be further improved by ensuring that CSOs have a greater role in the assessment, and increasing grassroots participation.

Behaviour Change

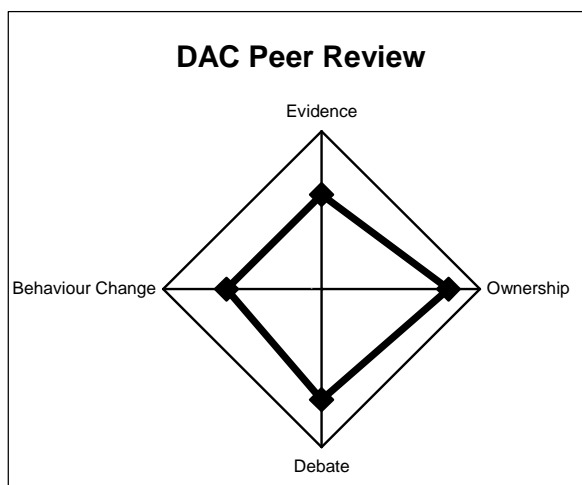
The APRM has shown itself to be a system that is gaining traction. While there is no explicit enforcement mechanism, the system of NPOAs and follow-up review are important elements increasing incentives for behaviour change. Making public formal recommendations acts in the same way. Steven Gruzd summarizes the situation as follows; '[The APRM is] beginning to pay dividends, including by harmonising reform efforts, tackling difficult problems, enhancing treaty compliance, and increased (if muted) donor and investor interest¹⁴' Future potential can be put in the following way; 'In summary, the APRM has the potential to improve accountability on the African continent, but it will need to improve, in areas such as focus and the involvement of non-state actors in the review process at the country level.¹⁵'

¹⁴ Reflection Document for the African Governance Institute (AGI) Thematic Anchors Meeting By Steven Gruzd, The South African Institute of International Affairs (SAIIA), May 2007

¹⁵ Ravi Kanbur (2004). The African Peer Review Mechanism (APRM): An Assessment of Concept and Design, Cornell University.

9 OECD Development Assistance Committee (DAC) Peer Review

Peer Review has been used by the OECD in a number of areas, like economics, environment and energy, for several decades. The objective is to help member governments strengthen policies, adopt best practices and meet established standards and principles. Like all peer review processes, the system relies on shared values and commitment, mutual trust, as well as credibility in the process. DAC peer reviews consist of an examination of the policies and activities of members approximately once every four



years. Some five programmes are examined annually. The goals of the Peer Reviews are to: (1) monitor the member's development cooperation policies and programmes, and analyse their effectiveness, inputs, outputs and results; (2) assist in improving individual and collective aid performance in both qualitative and quantitative terms; (3) provide comparative reporting and credible analysis for the wider public in OECD countries and the international community; and (4) foster coordination and mutual learning among members. The Peer Review is prepared by a team consisting of representatives of the Secretariat working with officials from two DAC members who are designated as examiners. The team interviews officials, parliamentarians, as well as civil society and NGO representatives of the donor country, as well as undertaking field visits to assess how members are implementing the major DAC policies and principles on the ground. The Secretariat, in association with the examiners, then prepares a draft report on the member's development cooperation which is the basis for the DAC review meeting at the OECD. At this meeting senior officials from the member under review respond to questions posed by DAC members led by the examiners.

Evidence

The process and procedures are well-established and the objectives are clear at a general level. However, the specific definition of the parameters of performance assessment is weak, particularly in terms of quantitative indicators. Comparative quantitative assessment is limited to some tables assessing volume, poverty focus of allocation and concessionality of donor resources. (This contrasts with some other OECD peer reviews (e.g. on harmful tax practices) which adopt more of a 'name and shame' approach. With reviews every four years, monitoring is infrequent, although the mid-term monitoring process is being strengthened. The capacity that the mechanism can harness, from the DAC Secretariat and "peer reviewers" from other DAC donors, is considerable. The rigour with which different assessments are carried out can vary, as can the seniority and experience of peer reviewers. As a peer review mechanism, concerns for official sensitivities inevitably moderate the tone and strength of the recommendations. However, the messages passed, in early drafts and orally, are clear. The sense of reduced candour is compounded by the narrative, rather than quantitative, nature of the reviews. That said, it should be stressed that

this does not prevent the reviews being an important (and perhaps the most important) vehicle for concrete analysis and direct policy suggestions.

Ownership

The mechanism scores highly on this dimension. It lends itself to building commitment, ownership, trust and common values among official donors, who are the priority group for this review. The process is less effective at reaching beyond to civil society and partner countries. Furthermore, the relative lack of definition of parameters means that the common denominator of shared values remains at a relatively low level. There is therefore potential for greater impact on this dimension. The mechanism also clearly has a high-level of legitimacy and pedigree, particularly in official circles. The view of the legitimacy of the process outside official circles is less favourable. For example, civil society questions its impact and do not see it as an important part of the future architecture. This is partly inevitable¹⁶. But it also reflects the general nature of the methodology, including the absence of comparative quantitative analysis. Many also suggest that the limited recipient country participation strikes a blow against greater legitimacy, particularly with the emphasis in the Paris Declaration on alignment with country-owned programs. Recently, there have been instances of recipient country participation on teams, but this was controversial and has not become general practice. It is also hoped that increased attention to surveying recipient views may also contribute to wider credibility.

Debate

The profile and awareness of the mechanism is high and it triggers significant debate inside donor agencies and among civil societies more widely. It is also clear that reviews can catalyse, or reinforce, reform actions. Dialogue and response is built into the review process but countries do not have to report back on actions taken as a result of the review (e.g. on an annual basis).

Behaviour Change

Interaction between donor agencies at the international level is one of the most important sources of behaviour change. The DAC Peer Review is one of the most relevant and legitimate of those interactions. The mechanism clearly catalyses, or reinforces, action and is credited by donors being reviewed as having significant influence. Consistent with the experience of DAC donors in partner countries, peer reviews have the biggest impact when they support, or help empower, reformers within the donor country being reviewed. Nevertheless, key features of the mechanism reduce its impact. As the OECD itself says; 'peer pressure is particularly effective when it is possible to provide both qualitative assessments of performance and quantitative measures of progress'¹⁷. However, this mechanism is short on quantitative performance assessment. There is also potential for greater impact through more systematic partner country participation, clearer definition of standards, as well as requiring enhanced and more frequent explanation and justification for performance. A number of suggestions have been made for strengthening the mechanism¹⁸ and others are offered in the main report.

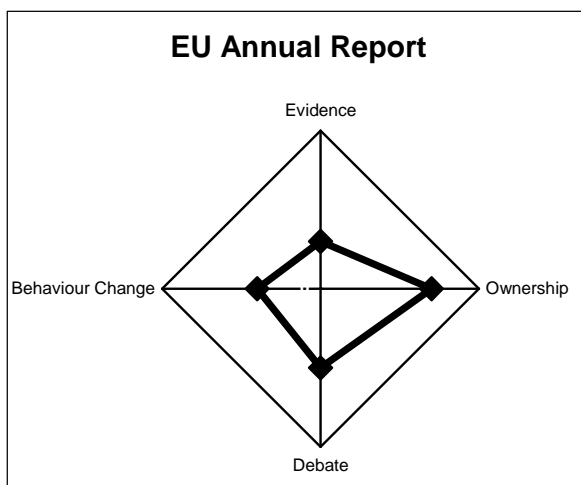
¹⁶ 'Civil society organizations, more generally, continue to be suspicious of the effectiveness of "soft regulation,"' The Logic of Collaborative Governance: Corporate Responsibility, Accountability, and the Social Contract; Working Paper of the Corporate Social Responsibility Initiative (January 2006)

¹⁷ 'Peer Review: A tool for cooperation and policy change'; OECD Policy Brief (January 2007)

¹⁸ For example, 'The DAC Peer Review system, could be strengthened in order to include a more stringent assessment of efforts to comply with international harmonisation commitments. Mechanisms for introducing informal 'competitive' incentives in order to

10 EU Annual Report on Financing for Development

Since the 2002 Monterrey Conference, the European Commission has provided an annual report on European Union (EU) progress against the commitments made on financing for development and aid effectiveness. In 2005, the EU strengthened these commitments, most notably on volume, committing to increase ODA provided by Member States to an average of 0.56% of GNI by 2010 and to 0.7% in 2015¹⁹. On aid effectiveness, the EU also committed to additional targets, beyond the Paris Declaration, in areas like technical assistance, use of country systems, as well as the share of aid provided as budget support and SWAps. The mandate of the Commission to report on progress annually was reaffirmed. These commitments are all framed within the new EU Development Policy – the so-called ‘EU Consensus on Development’. Since 2005, the Commission has delivered two Annual Reports^{20, 21}. An important accompaniment to the reporting process is the EU Donor Atlas²².



Evidence

Definition of commitments is fairly clear, particularly on volumes. However, there do remain some differences of interpretation among Member States about the precise definitions of the commitments. Performance is regularly monitored. Processes are rigorous and supported by adequate capacity. Analytical independence is not an issue. However, there is certainly room for improvement in the presentation of performance against commitments, particularly for individual member states. This is particularly true on aid effectiveness commitments. That said, it should be noted that the Donor Atlas does contain important information on aid procedures and decentralisation. The Donor Atlas also includes a table of performance of EU countries on the CGD Commitment to Development Index.

stimulate emulation of best practice by all DAC members could also be considered.’ Incentives for Harmonisation and Alignment in Aid Agencies, Paolo de Renzio with David Booth, Andrew Rogerson and Zaza Curran. ODI Working Paper (June 2005)

¹⁹ Communication from the Commission to the Council and the European Parliament - Accelerating progress towards attaining the Millennium Development Goals - Financing for Development and Aid Effectiveness: COM/2005/0133 final, April 2005

²⁰ Communication from the Commission to the Council and the European Parliament - Financing for Development and Aid Effectiveness - The challenges of scaling up EU aid 2006–2010; COM/2006/0085 final, March 2006

²¹ Annual report from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions of 4 April 2007, Keeping Europe's promises on Financing for Development [COM(2007) 164 final

²² EU Donor Atlas: Volume I: Mapping Official Development Assistance; (EC/OECD, February 2006)

Ownership

This is a strength. The mechanism operates in the context of well-established, highly-legitimate inter-governmental processes. It reports against commitments that Member States have themselves made. As in other economic and social sectors, the EU process has proved successful at broadening commitment, participation and ownership to the full EU membership. Debates at the EU level on the agenda, as well as the process of reporting contribute on an ongoing basis to strengthening trust and values.

Debate

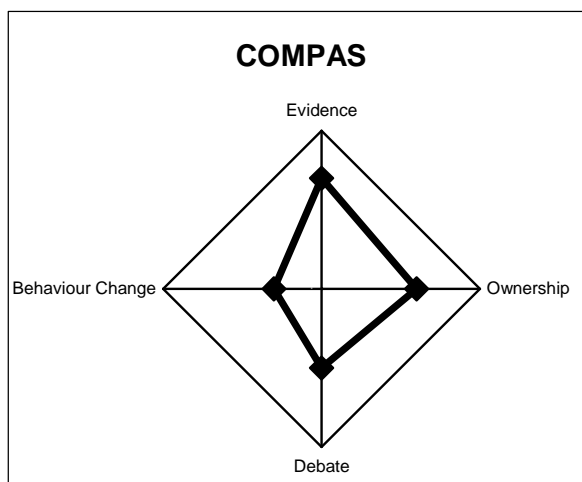
The reporting mechanism has a high profile and strong credibility. It triggers discussion both at the EU level as well as within Member States through legislative debate and the media – particularly on volumes. The lower level of definition and presentational clarity around aid effectiveness indicators means that the reasoning and debate on performance is much more limited.

Behaviour Change

The mechanism is founded on the consent of those monitored. It therefore has traction both at the political and technical level with EU donor agencies. While there is no concrete enforcement mechanism, EU member states take collective European commitments seriously. Particularly among the smaller members, the impact on behaviour has been, and will continue to be, significant.

11 Multilateral Development Banks' Common Performance Assessment System (COMPAS)

COMPAS is a peer review process where the five members of the MDB Working Group on Managing for Development Results (MfDR) (IADB, AfDB, AsDB, EBRD and World Bank) can monitor their results orientation. There are three pillars of COMPAS. The first is actions to support country capacity for managing for development results. Second are actions to improve the results orientation of internal systems (e.g. country strategy processes, portfolio quality and systems for allocating concessional resources). The final pillar concerns actions to improve interagency cooperation (e.g. harmonization and alignment). Assessments are based on a matrix of thirty indicators grouped



under seven categories. Results are published in an annual report. They also serve as an input into the chapter of the Global Monitoring Report (GMR) that assesses the performance of International Financial Institutions (IFIs). COMPAS focuses on processes and results within the control of the institutions themselves. Its intent is not to compare performance across different MDBs—but rather to provide baseline data against which each institution can measure its own progress over time.

While this mechanism is not central to DAC members or the Paris Declaration itself, it is included here because it offers useful lessons for other Peer Review mechanisms, particularly the DAC Peer Reviews.

Evidence

The definitions and methodologies are still evolving. The 2006 exercise saw a number of changes to the structure of the matrix and the definition of indicators. The exercise now includes a good number of quantitative, comparative indicators. There are methodological challenges associated with the differing natures of the agencies. In particular, the EBRD's role as a lender to the private sector means it may have more in common with the private sector arms of the other MDBs than their core operations. Reporting is transparent and regular and the MDBs devote increasing capacity to the process.

Ownership

The exercise was conceived as a means of demonstrating commitment to results-orientation and catalysing action. As such it has strong legitimacy among participants. Furthermore, as a peer review mechanism, created with the consent of the participants, it scores well in terms of building ownership and common values. There is also evidence of a positive effect on participation, with discussions around International Fund for Agricultural Development (IFAD) and Islamic Development Bank (IsDB) engagement.

Debate

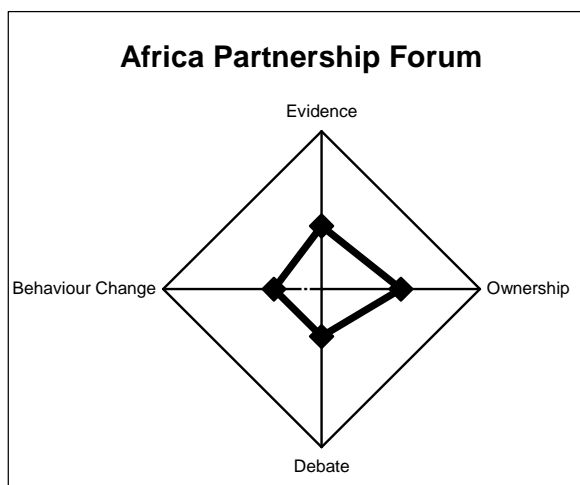
It is clear that there is increasing weight attached to this process at senior levels of participating agencies. Furthermore, the integration into the GMR ensures wider exposure. Demand for dialogue and explanation is constrained by the reluctance to present in a manner which eases comparisons.

Behaviour Change

While there is little concrete evidence to suggest a catalytic effect on operations, the increased attention and debate devoted to the mechanism implies the potential for a positive impact in the future. As with all peer review mechanisms, impact evolve gradually, based on growing ownership and traction at senior levels.

12 Africa Partnership Forum (APF)

The Africa Partnership Forum (APF) was established in November 2003 with the aim of opening the existing high-level G8/NEPAD dialogue to include Africa's major bilateral and multilateral development partners. It has become a forum for participants to discuss and monitor priority policy issues, strategies and actions. The APF meets twice each year and is co-chaired on an alternating basis by representatives of the African Union and NEPAD, and by G8 and non-G8 OECD Member countries. Each meeting is accompanied by a set of papers that assess progress and actions on priority issues. The scope of monitoring is defined by the range of commitments that African countries and Africa's development partners have made. They include NEPAD and AU programmes, the G8 Africa Action Plan and commitments made at Gleneagles, UN Summits and the Paris Declaration.



Evidence

APF reporting offers an extremely authoritative and comprehensive analysis of the situation regarding collective progress of African countries and their development partners on the policies and actions required to attain the MDGs. At a general level, the role of the exercise is clear and the quality and rigour of the analysis is impressive. Reporting is regular and easily available. That said, the specificity of the monitoring of performance, certainly in the area of development assistance, is limited for both individual partner and donor performance.

Ownership

The APF is a body with a high-level of official pedigree as a forum for bringing together African countries and their development partners to review progress and identify priority actions for the future. As such it makes a clear contribution to Africa's development policy agenda. What is less clear is its legitimacy as a vehicle for accountability for specific commitments made. Members, particularly on the donor side, do not appear to be comfortable with it evolving into a more concrete accountability mechanism that could catalyse debate and behaviour change from individual participants. While the APF may evolve in that direction, such a development would need to rest on greater credibility among non-G8 donors and greater ownership from African partners.

Debate

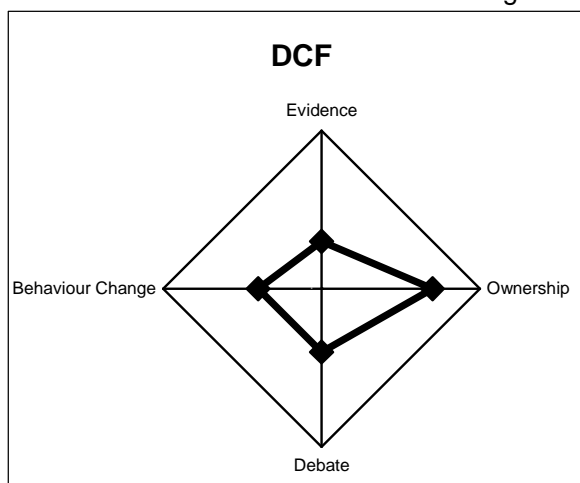
The APF has a relatively high profile and awareness and its reports serve to underpin and catalyse policy debates, including on aid effectiveness, in a general sense. However, time devoted to discussing specific issues in the bi-annual meetings is inevitably limited and up to now, in common with many inter-governmental fora, discussions have tended to be diplomatic about mutual performance. Discussion of reporting beyond meetings, for example through the media, has been quite limited.

Behaviour Change

At this stage, the accountability dynamics of the APF are unlikely to be specific enough to be catalysing behaviour change by individual donors or partners. It is functioning more as a mechanism for policy dialogue than as a concrete accountability mechanism.

13 ECOSOC High-Level Development Cooperation Forum (DCF)

The 2005 World Summit outcome mandated ECOSOC to convene a high-level Development Cooperation Forum (DCF) to enhance the implementation of international development goals. The DCF is envisaged as becoming a principal mechanism for dialogue and policy review on development cooperation issues. It is also aimed at providing an effective mutual accountability mechanism for aid effectiveness, based on strong analysis and the broad-based participation of stakeholders. The DCF will monitor trends in international development cooperation and provide a forum for dialogue for relevant stakeholders. It also aims to offer concrete recommendations on how to strengthen the coherence and effectiveness of development assistance.



The DCF will be held every other year. It was launched in Geneva in July 2007 and the first Forum will take place in New York in 2008. Participants will include representatives from developing and developed countries, including bilateral development agencies, UN system organizations, World Bank, IMF, OECD and regional development banks as well as civil society and the private sector. In 2008, the discussions at the DCF will also feed into the Follow-up International Conference on Financing for Development in Doha at the end of the year.

The DCF is clearly an existing mechanism since it has been mandated and launched. Nevertheless, until the first Forum has occurred the nature of the discussions, particularly in term of mutual accountability, will remain uncertain. Preparations are still underway, including on the basic reporting that will underpin discussions.

Evidence

The technical quality and candour of the mechanism will become clearer as reporting emerges through 2008. Participants at the DCF launch called for it to include clear indicators and benchmarks to measure the implementation, effectiveness and results of development cooperation. Certainly there is the potential for the mechanism to deliver robust, candid and independent analysis on aid effectiveness performance, reflecting partner perspectives and priorities. In order for this to be realised, the DCF report would need to be analytical rather than political (in the same way that the Human Development Report (HDR) is). Equally, there is a good chance of the report delivering strong analysis of progress at a general level that is not specific enough to contribute to accountability.

Ownership

As a mechanism within the ECOSOC framework, the DCF has a high level of overall legitimacy, particularly with partner countries and CSOs. These stakeholders see the UN as a more legitimate forum than the OECD-DAC for oversight and accountability

of aid. Nevertheless, as the examples of the GMR and the APF reviewed elsewhere in this paper highlight, legitimacy as a forum for policy dialogue is not the same as legitimacy as a forum for mutual accountability.

Overall, the legitimacy of the DCF as a mutual accountability mechanism will rest in large part on its technical credibility (i.e. the issues set out under 'evidence' above). It will also depend on the willingness of donors to accept it as a forum for shining a light on their individual performances and for taking on or reinforcing commitments to do better. If such a willingness is to develop, it will only emerge over time. Nevertheless, the nature of the first DCF in July 2008 will be a strong indicator of potential.

Debate

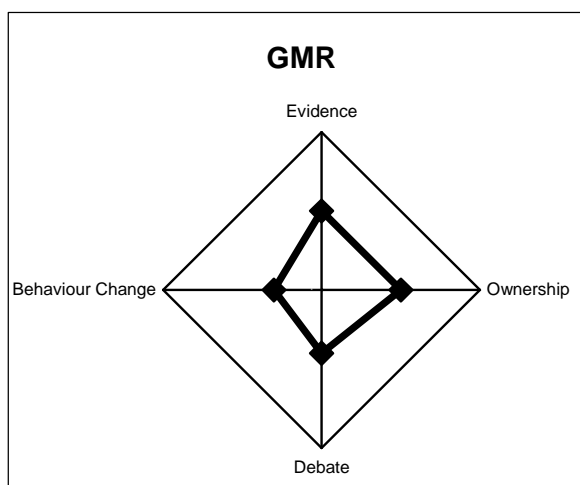
The DCF will certainly have a high profile in both official, and wider, circles. However, the level of justification for performance will depend on the technical quality and candour of the reporting, together with the political credibility of the mechanism as a forum for accountability. The potential is there for the mechanism to evolve into such a global forum, acting as an important complement to the role of the DAC. That said, it should be noted that the traditional dynamics of UN fora do not lend themselves to focused mutual assessment of performance.

Behaviour Change

The same points can be made under this dimension as under 'Debate' above. The DCF has the potential to add significant value to the mutual accountability system and should be supported as such. However, it is also appropriate to be cautious, given the long history of debate on the role of the UN in co-ordination of development co-operation.

14 Global Monitoring Report (GMR)

The GMR emerged out of discussions by the Development Committee (DC) of the World Bank and the IMF on the Millennium Development Goals (MDGs) in September 2002. In the 'mutual' spirit of Monterrey, the DC called for a framework to monitor progress on the underlying policies and actions by developing countries, developed countries, and multilateral agencies. The first GMR was produced in Spring 2004 by the World Bank and the IMF, in cooperation with partner agencies. With the 2007 Report there have now been four annual GMRs. The DC discusses the GMR at its annual Spring Meetings.



The reports review progress in the policy environment in developing countries as well as setting out performance against the MDGs. However, from the perspective of this review the most relevant sections is the one on the actions of developed countries, which includes a review of aid. This includes rigorous analysis of developments on both volumes and aid effectiveness, frequently including new research findings. Also relevant is the third pillar, dealing with the actions of the International Financial Institutions (IFIs) that includes a summary of COMPAS findings.

Evidence

GMRs offer an extremely authoritative and comprehensive analysis of the situation regarding collective progress of the development community towards the MDGs. At a general level, the role of the exercise is clear and the quality and rigour of the analysis is impressive. Reporting is regular and easily available. That said, the specificity of the monitoring performance, particularly in terms of individual donor performance, is limited. Initially, there were efforts to disaggregate analysis by donor countries to provide greater focus on performance but this proved impossible to implement. Further, objectivity around the performance of the World Bank and IMF is hard to achieve since the report is produced by them.

Ownership

The DC is a body with a high-level of legitimacy, including just about all significant members of the development community. However, the Committee's mandate is 'to advise the Boards of Governors of the Bank and the Fund on critical development issues and on the financial resources required to promote economic development in developing countries'. It is not clear that members, particularly on the donor side, see it as a vehicle for accountability around their own performance on aid effectiveness. This is borne out by the unwillingness to accept that GMRs include focused measures of individual performance. (After all it is produced by the Bank/Fund for the DC rather than by the DC per se.) Additionally, some partner countries express concern that the locus for monitoring of the MDGs and the Financing for Development (FfD) agenda should be the UN.

Debate

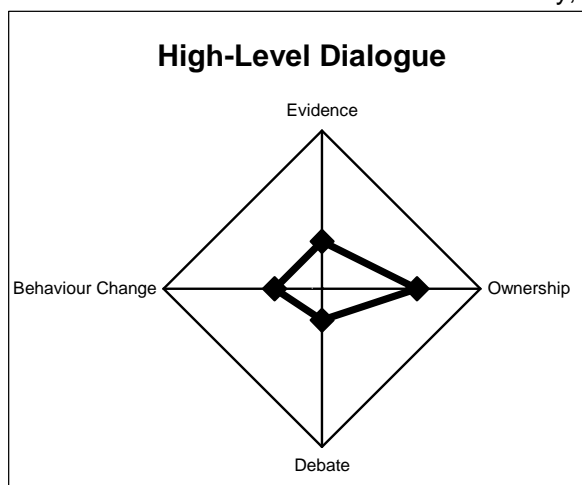
The Development Committee has not traditionally been a forum where members express frank views to one another on respective performance. Furthermore, the time devoted to discussion of the GMR is extremely limited. There is therefore limited demand for reasoning generated by the mechanism. Nevertheless, the GMR does have a high profile and awareness and does act to underpin and catalyse the aid effectiveness debate in a general sense.

Behaviour Change

The GMR is unlikely to be specific enough to catalyse actions by individual donors or partners. While it was conceived as a 'framework for accountability in global development policy', it is functioning more as a monitoring mechanism than as an accountability mechanism. This means that, instead of being a direct driver of behaviour change, the potential of this process is as an information-base to underpin the functioning of other accountability mechanisms or else to broaden understanding and ownership of the aid effectiveness agenda in a more general sense throughout the development community.

15 High-Level Dialogue to assess implementation of Financing for Development (FfD)

The High-level Dialogue (HLD) is a biennial forum of the UN General Assembly, mandated in the context of the Financing for Development process, as the focal point for assessing the state of implementation of the Monterrey Consensus. Since Monterrey there have been three meetings – in 2003, 2005 and 2007. The meetings cover the six major areas of the Monterrey Consensus: mobilizing domestic financial resources, mobilizing international resources, international trade, international cooperation for development, external debt, and the coherence of the international monetary, financial and trading systems.



The meetings include plenary discussions as well as round tables to discuss thematic areas of the Monterrey Consensus. Discussions at the High-Level Dialogue are supported by a number of reports from the Secretary-General. These documents are 'political' rather than 'technical', being reviewed and approved by UN members. The key document at the 2007 HLD was 'Follow-up to and implementation of the outcome of the International Conference on Financing for Development'. Other accompanying reports focused on regional dimensions and international financial system architecture.

Evidence

The quality and rigour of information generated is high drawing on the capacity of the UN system. This produces an authoritative review of developments and policy recommendations for the international community. However, the analysis covers a wide range of issues, going beyond aid effectiveness. Furthermore, there is little disaggregated analysis of the performance of individual actors.

Ownership

As a UN-mandated mechanism, the HLD has a high level of overall legitimacy, particularly with partner countries and CSOs. However, this legitimacy is associated with the mechanism's role in reviewing implementation of overall progress and discussing strategic priorities rather than as a vehicle for mutual accountability. This is particularly true for donors. While the mechanism clearly has a role in continuing to drive the overall direction of international development policy it is unclear that there is potential for any more specific accountability role to evolve.

Debate

The HLD certainly has a high profile and awareness in both official circles, and beyond. However, while it has a central role in catalysing debate about the overall performance of the international development community in delivering against commitments, there is little evidence of it serving as a forum for catalysing responsiveness from individual actors. The nature of UN inter-governmental

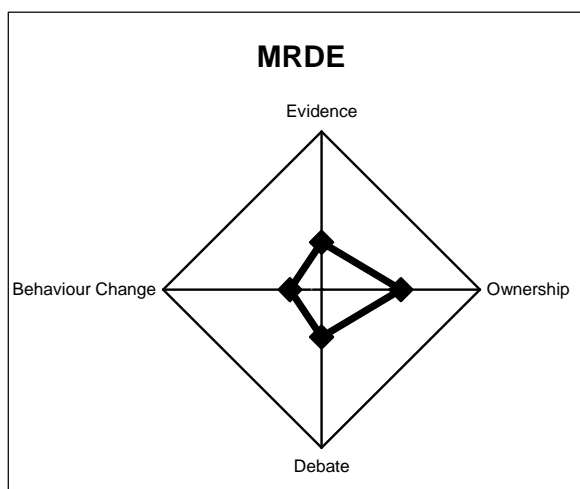
discussions, including hesitancy of frank criticism between donors or between developing countries, would suggest that it is not an effective forum for mutual accountability assessment.

Behaviour Change

The same points can be made under this dimension as under 'Debate' above. While the HLD is a central element of the international community's dialogue around development policy and implementation overall, it does not appear to be an appropriate vehicle for assessment of the performance of individual actors and the consequent process of behaviour change.

16 Mutual Review of Development Effectiveness (MRDE)

In 2003 the NEPAD Heads of State and Government Implementation Committee (HSGIC) asked the Economic Commission for Africa (ECA) and OECD to develop a mutual accountability process in which Africa and its OECD partners could track the implementation of their development commitments in Africa. ECA and OECD jointly developed what became the MRDE over the period 2002 – 2004. The first Mutual Review Report (MRR) was published in 2005.



The MRR is a comprehensive document, covering the full range of AU (NEPAD) priorities and programmes. It is classified into seven thematic areas: (i) Progress towards achievement of the MDGs; (ii) African agricultural performance and trade issues; (iii) Economic and political governance; (iv) Capacity development; (v) Aid flows; (vi) Aid quality; and (vii) Coherence in OECD policies to enable Africa to achieve the MDGs. Within each thematic area, a set of key messages is set out, together with 'Action Frontiers' and 'Performance Benchmarks' for both African countries and OECD countries. The second MRDE is now scheduled for the end of 2008.

Evidence

The MRR is an impressive and useful document, reflecting the joint capacity of OECD and ECA Secretariats. In particular, efforts were made to define and disaggregate performance benchmarks as much as possible. In practice, the inter-governmental nature of the mechanisms moderated candour. The regularity of the MRR (it was envisaged as biennial) has been affected by political sensitivities. In particular, the NEPAD Secretariat had raised questions about the 'mutual' nature of the report (i.e. coverage of both African and OECD performance). Concerns were expressed that it might duplicate the APRM. Such issues have now been resolved and there is the prospect of performance therefore being monitored more regularly and for benchmarks to evolve to become more concrete over time.

Ownership

Like the APRM, the fact that the MRDE process operates under the AU (NEPAD) Secretariat umbrella offers a high-level of initial starting credibility as a regional accountability mechanism. The question is whether the mechanism will evolve in this direction. Issues to be defined include the precise forum and process for dialogue and review, and how the mechanism interacts with other ones – in particular the APF but also external processes like the African Monitor. In some ways, integration with the APF process would make sense. But the APF's origins in the G8 mean that NEPAD is cautious. They stress that their mutual accountability is shared with the OECD, rather than the G8. If such issues were resolved it is possible to see the MRDE evolving into an important vehicle for deepening commitment and

accountability in the African regional context, in particular acting as a tool to empower partner governments to hold donors more accountable for their performances.

Debate

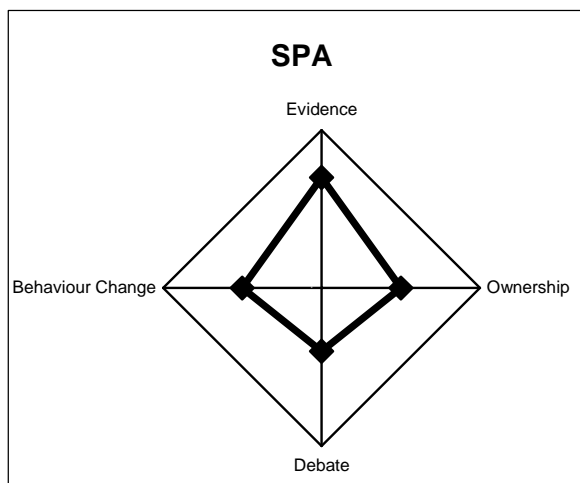
The MRDE is still establishing its role and place within the AU (NEPAD)/OECD/G8 framework of dialogue. Profile and awareness of the first MRR was limited and focused more on process than substance. Nevertheless, the high potential level of credibility of the instrument (i.e. mandated by the AU (NEPAD) HSGIC) offers a growing score on this dimension.

Behaviour Change

In light of the above, concrete impact on behaviour change is not significant. Nevertheless, the pedigree of the instrument means there is clear potential for impact to grow over time. In order to achieve this a priority would be clarification of the review process and better coordination with other mechanisms.

17 Strategic Partnership for Africa (SPA)

The Strategic Partnership with Africa (SPA) is an informal grouping of donors and their African government partners whose purpose is to improve the quality and increase the quantity of aid to Africa. Established in 1987, principally as a vehicle for raising additional flexible aid resources, the mechanism has evolved into a monitoring framework to track donor performance in implementing commitments. It also provides a forum, particularly through annual plenary meetings, for donors and partners to review



and discuss one another's performance. SPA participants see the mechanism as an important element of the overall system of mutual accountability between African countries and their donor partners. In particular, they cite the candid and collegial nature of discussions as a key strength.

In addition to monitoring levels of aid (in the context of Monterrey, and other, pledges), the SPA also tracks aid effectiveness, particularly of budget and sector-wide support, through surveying progress on issues like conditionality, alignment, predictability, harmonization and review processes. Supported by a small Secretariat housed at the World Bank, the SPA carries out an annual survey of alignment of direct budget support with national processes. The survey has been carried out in 15 to 18 Poverty Reduction Strategy (PRS) countries in Africa annually since 2003. The aim of the exercise is to obtain information on progress made by around 20 budget support donors in aligning and harmonising their activities, building on the results of previous surveys. The SPA survey differs from the Paris Declaration Monitoring Survey in that it does not collect data across the full range of PD indicators but instead examines specific questions more closely. These include the predictability of budget support, links between budget support and PRS processes, and government views on donor behaviour in budget support relationships.

Evidence

The annual SPA surveys are one of the most rigorous sources of information on donor performance on aid effectiveness issues at the country level – albeit focused in a single region and on specific issues (program-based approaches). Coverage is well-defined and easily available. The quality of the survey process is good and presentation is sufficiently disaggregated to allow for assessment of individual donors. Overall, the mechanism demonstrates that ‘mirrors’, like peer review, can deliver candid performance assessment.

Ownership

The mechanism started as a ‘donors’ club’ but has evolved into much more of a partnership. African countries are now full participants in both Plenary and Working Groups and co-chair both of these components. This has increased overall ‘political credibility’. The mechanism has been driven by ‘like-minded’ donors and, over time, levels of trust and ownership have strengthened to support a deeper and wider

mandate for the mechanism. In the current phase, one objective is the promotion of more mutual accountability frameworks at the country-level.

Debate

The mechanism remains, above all, a practitioner's institution, focused on supporting the process of accelerating implementation at the field level of policies agreed internationally. As such the awareness and profile of the mechanism, and the debates it has triggered, have been more at a technical level. One example is the survey findings that showed a wide gap between donor flows as reported by development agencies and actual aid resources reported as received by African governments.

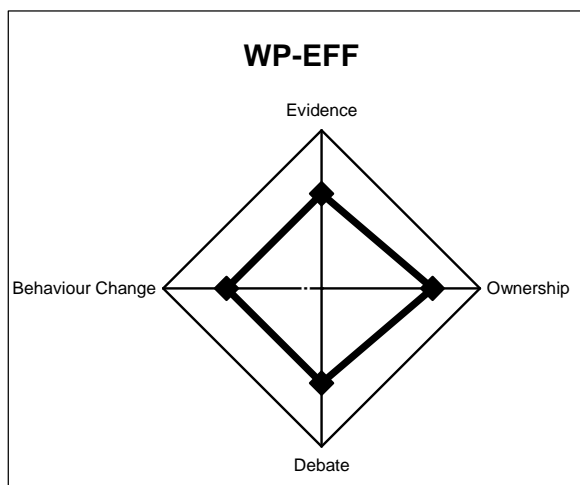
Public awareness outside donor agencies has been limited up to now. This has also tended to be the case for African countries as well. The increasing role and ownership of African governments offers the prospect of the mechanism increasingly becoming an important tool to empower them in their dialogue with donors.

Behaviour Change

The mechanism has clearly supported behaviour change by committed donors by providing clear information on performance and combining it with the moral suasion associated with collective peer review. The process has enabled many donors, including both the World Bank and the IMF, to modify their procedures to strengthen alignment. As ownership, particularly from African countries, increases, the mechanism has the potential to deliver ongoing, and enhanced, impact on the ground.

18 Working Party on Aid Effectiveness (WP-EFF) including Paris Declaration Monitoring Survey

The WP-EFF was established in May 2003. It is an interesting hybrid. In part it is a “subsidiary body” of the DAC. However, it is more than that, since it has a wide range of recipient countries and multilateral donors as participants in its work and decisions. It has a mandate to promote a global partnership for improved aid effectiveness. It played a lead role in the Paris HLF, including preparation of the Paris Declaration. After 2005, the WP-EFF was also tasked with monitoring the Paris Declaration commitments and its 12 indicators.



The WP-EFF has responsibility for the substance of, and preparation for, the HLF. The mandate beyond Accra is not defined.

The Working Party has representation from equal numbers of (23) bilateral donors and partner countries. All the multilateral banks participate, as does the OECD and the United Nations, as well as the Strategic Partnership with Africa (SPA). The Working Party has grouped its activities into specific themes; monitoring the Paris Declaration, public financial management, managing for development results and procurement and aid untying. These themes are coordinated by dedicated Joint Ventures (JV).

One of these, the Joint Venture on Monitoring the Paris Declaration (JV-MPD) is responsible for the monitoring and follow-up of the Paris Declaration. In 2006, the Baseline Survey on Monitoring the Paris Declaration, which covered 34 partner countries with data from 60 donors, was completed. It is the central source of data on performance against the PD targets.

The survey is intended to stimulate a ‘broad-based dialogue’ (at both country and international levels) on how to make aid more effective, promote agreement on specific actions that contribute to successful implementation of the Paris agenda at country level, and generate an accurate picture of existing aid practices as a baseline for assessing progress. The survey fits within a larger medium-term monitoring plan aimed at integration of ongoing monitoring efforts, planned evaluations, donor self-reporting and DAC peer reviews²³. Fifty-one countries have confirmed their participation in the 2008 Survey that will get underway in January 2008.

Evidence

This has been the central vehicle for both defining and monitoring the aid effectiveness agenda. The WP-EFF was the forum in which the 12 measurable targets for the PD indicators were agreed. The Survey is the most comprehensive source of information on donor and partner performance against Paris Declaration

²³ PROPOSED ARRANGEMENTS FOR MONITORING THE PARIS DECLARATION IN THE MEDIUM TERM: Draft Final Report (ODI, February 2007)

targets. In particular, it is noteworthy that performance is disaggregated for individual donors providing a good degree of candour. During the 2006 process a number of concerns emerged. They included concerns that guidance on definition of indicators was not tight enough. This linked to concerns that donors were able to manipulate reporting. This undermined the credibility of the data. These issues were picked up in the Survey itself which makes a number of recommendations to improve the process, including reducing survey costs, tightening definitions and increasing the authority of National Coordinators. Many of these recommendations have been integrated into the 2008 Survey although time constraints may conspire against quality. Some, particularly CSOs, feel that more independence would strengthen the survey.

Ownership

The WP-EFF clearly has strong legitimacy as a mechanism for building commitment to aid effectiveness, as well as for monitoring it. However, while partners participate, it cannot be reasonably described as a sufficient, or sufficiently senior, platform for partner country voices. This is implicitly acknowledged in the Accra HLF preparation with the establishment of an ad hoc consultation process to establish partner priorities. The Survey can be described in similar terms. It has solid legitimacy but can be perceived as donor-driven and donor-defined. For example, the question whether the PD indicators fully reflect everyone's (particularly partner's) conception of aid effectiveness is as pertinent for the Survey as for the Declaration itself.

The issue of the OECD/DAC as a 'donors' club' raises issues of the legitimacy of the Survey as a genuinely 'mutual' monitoring process. While legitimacy among donors (particularly the 'like-minded') may be strong, it is weaker among partners and CSOs, although the increasingly strong role of developing countries is increasing that legitimacy. The sense of ownership among partner countries is indicated by the participation of over 50 of them in the (forthcoming) survey in 2008, as compared to the 35 in the 2006 survey.

Debate

The 2006 survey was formally reviewed by the DAC's High Level Meeting (HLM) of Ministers, as well as by the Working Party itself. However, as noted above, the WP-EFF is more oriented to promoting, managing and monitoring the aid effectiveness agenda than providing a formal accountability mechanism for stakeholder performance. Instead it seeks to provide an information-base to underpin the functioning of other accountability mechanisms. For example, the information has also allowed for considered and constructive analysis from non-official actors²⁴. For these reasons, the rating on this dimension is slightly lower than for other dimensions. Nevertheless, it is clear that the WP-EFF and monitoring process have both supported much dialogue – particularly in those donor countries that are already highly committed to the agenda and are keen to demonstrate that they are on track for implementation. With a more substantive partner voice (including evolution of the emerging partner caucus) the mechanism may support more performance analysis..

Behaviour Change

Through building commitment, understanding and information around aid effectiveness, this mechanism is clearly an important source of behaviour change. In particular, the process of joint monitoring of joint commitments is a powerful mechanism for change at both the country level and in donor capitals. The mechanism also has potential to strengthen its role and impact into the future. The main paper sets out some concrete options to achieve this.

²⁴ Brief analysis of the OECD Paris monitoring survey (Eurodad, June 2007)