This note is presented for INFORMATION and COMMENT to the Working Party on Development Finance Statistics (WP-STAT) under item 8a of the draft annotated agenda [DCD/DAC/STAT/A(2017)1].

At the July 2016 WP-STAT meeting, members welcomed the proposal by the Secretariat for a pilot on Peer Reviews on Development Finance Statistics. The Secretariat sent a revised version of the proposal to members in September [DCD/DAC/STAT(2016)18/REV1] and invited members to flag their interest in participating in the pilot phase. Many countries flagged their interest, so the pilot phase can take off in 2017 as planned.

The Secretariat developed this short guidance document to help the members and OECD staff to carry out the reviews.

Contact:
Julia Benn - Tel: +33(0)1 45 24 90 39 - Email: julia.benn@oecd.org

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GUIDE FOR PEER REVIEWS ON DEVELOPMENT FINANCE STATISTICS

1. BACKGROUND

1. At the July 2016 WP-STAT meeting, members welcomed the proposal by the Secretariat for a pilot on Peer Reviews on Development Finance Statistics. The Secretariat sent a revised version of the proposal to members in September [DCD/DAC/STAT(2016)18/REV1] and invited members to flag their interest in participating in the pilot phase. Many countries flagged their interest, so the pilot phase can take off in 2017 as planned.

2. The Secretariat developed this short guidance document to help the members and OECD staff to carry out the reviews. More specifically, the purpose of this guide is to:

   1) Structure the reviews and make sure the basic structure is the same for all reviews.

   2) Guide the reviewed country, the peers from other countries and the OECD staff involved through the process of the review.

   3) Facilitate the identification of lessons across different reviews.

3. Regarding point 1, the guide tries to strike a balance between harmonising the structure of the different reviews and maintaining flexibility to prioritise certain topics or discuss issues beyond those presented in this guide. The material is presented for guidance and inspiration, not as rigid instructions.

4. The guide is largely based on the revised proposal on peer reviews on development finance statistics and is also inspired by the “DAC peer review reference guide” [DCD/DAC(2013)19]. The guide first recalls the purpose of the reviews (section 2) and then sets out the process (section 3) and the content (section 4) of the reviews.

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1 A revised version of the DAC peer review reference guide is currently under discussion in the DAC [DCD/DAC(2016)53].
2. RECALLING THE PURPOSE OF REVIEWS

5. The main purpose of statistical peer reviews is to enhance the quality and use of data on development finance by DAC members and non-DAC countries involved in the work of the Committee through peer learning and recommendations by the Secretariat. The reviews will also support the implementation of DAC and WP-STAT decisions, such as the recent agreements on ODA modernisation (concessionality, private sector instruments etc.). At the same time, the reviews can inform and help the Secretariat to adjust its services to the needs of the reporting countries.

6. Another objective of statistical peer reviews is to help countries to deal with an increasing demand for comprehensive, reliable and accessible statistics on development finance, in a context of frequent changes to the reporting requirements, staff-turnover and often complex, decentralised reporting systems. The reviews can also help to leverage domestic resources for data collection, processing and reporting, and for data dissemination and work to enhance transparency.

3. THE REVIEW PROCESS

7. The review process has five stages: planning, preparing, reviewing, summarising the results of the review and communicating these results. The timeline for a review is presented in Table 1 and will be further explained below.

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A. Planning

8. The Secretariat identifies countries interested in participating in a review, either as reviewed party or as peer. It seeks information on – and tries to match – the priorities (in terms of content) and the availability of each country for the review. Based on this information, it approaches countries with a specific proposal including the countries participating in a review, their roles and a timeline.

B. Preparing

9. The country that will be reviewed prepares a short note (3-5 pages plus annexes if needed) and sends this to the peers and the Secretariat at least two weeks before the actual review. The peers and the Secretariat will not further disseminate this document. The Note includes, for each of the seven dimensions
of the review (see section 4), a text describing the situation of the reviewed country and a first set of questions for discussion.

10. The country to be reviewed also prepares an agenda and sends it to the peers and the Secretariat one month prior to the review. The agenda should include as a minimum one meeting on each of the dimensions, but more meetings on certain dimensions can be organised. The agenda should include information on who (which institutions, administrations or stakeholders) will be participating in each meeting. The peers and the Secretariat can suggest other stakeholders to meet with during the review, but the country to be reviewed is responsible for setting up the meetings.

11. The initial proposal on the statistical peer reviews already mentioned that two types of domestic stakeholders of the reviewed country should be involved in the process. On the one hand, the domestic reporters should be participating. Depending on the reviewed country this could include the development agency, the development finance institution/development bank, various ministries, decentralised administrations, the Central Bank and implementing NGOs, foundations or private sector institutions etc. One could think of a whole-of-government reporting session/workshop to meet several of these stakeholders at the same time. Colleagues involved in part of the reporting process, such as colleagues in policy departments responsible for checking or assigning the policy markers, could also be invited. On the other hand, meetings should take place with the civil society and data users. This could include NGOs, research institutes, members of parliaments or their staff, universities etc.

12. The peers prepare questions and examples related to the issues raised in the Note. Good and bad practices from their own experience are an important input for the discussion. Peers can also bring forward specific challenges that they have faced in their countries. Although the focus is on the country under review, the purpose of the exercise is also to learn from each other’s challenges and solutions.

13. The Secretariat prepares questions and suggestions based on the Note and the latest assessment of the country’s reporting (annually presented at the WP-STAT in the document on DAC statistical reporting issues). Moreover, it will look at how the reviewed country collects, reports and communicates on its statistics with a special focus on dimensions 3, 4 and 5 (improved reporting, monitoring of commitments and transparency). From the side of the Secretariat and the peers, one person should be selected to lead on each of the dimensions during the mission. After receiving and reading the Note, the peers and the Secretariat should divide the dimensions amongst themselves.

C. The review

14. The country to be reviewed organises a location(s) for the meetings of the review. Prior to the first meeting, the peers and the Secretariat meet to go through the agenda. After the last meeting the peers and the Secretariat meet again to summarise the main conclusions. The Secretariat will take notes during the meetings of the review in order to prepare a short report with the results of the review after the review itself.

D. Summarising the results

15. Within a month after the review, the Secretariat will send a draft report on the results (3-5 pages) for comments by the peers. After incorporating the comments of the peers the Secretariat will then send the draft report to the country that was reviewed. The report should focus on recommendations on each dimension for the reviewed country and lessons learned from the review that can be useful for other countries. After receiving and incorporating the comments the Secretariat will send the report once more for approval by all parties involved. Once approved, the report will be published on OLIS.
E. Communicating the results

16. At the WP-STAT meeting following the review the peers will present the results of the review and the reviewed country provides feedback as well. Participants of the WP-STAT are invited to ask questions based on the report and the presentation or make suggestions with respect to challenges that surfaced during the review.

17. After several reviews have taken place, the Secretariat will draw the main lessons from the reviews and will present these to the WP-STAT.

4. CONTENT OF THE REVIEWS

18. This section describes the seven dimensions of the reviews identified in the initial proposal. Dimensions 1 and 2 are for discussion with all domestic institutions involved in providing (and therefore reporting on) development co-operation. Dimensions 3, 4 and 5 are for discussion only with the team responsible for collection, processing, reporting and publication of statistics within the country (the statistical team). Dimensions 6 and 7 are for discussion also with institutions using the data.

1. What are the main statistical policy issues?

19. The Secretariat prepares a list of most relevant statistical policy issues at the moment of the review. The country to be reviewed is requested to comment on this list in its Note, indicating if the issues are indeed relevant for the country and where the country stands on each of the issues. Countries can also come up with other statistical policy issues that are not on the list, such as issues it is struggling with or would like to make progress on.

20. The issues can differ from one year to another, but can include certain ODA-eligibility issues, use of multilateral channels, in-donor costs (especially refugee costs), the implementation of the revised concessionality rules, private sector instruments, mobilisation, TOSSD/non-ODA flows, monitoring of aid to least developed countries and other countries most in need, etc. This dimension could also address the coherence and consistency of the data with those collected by other policy communities (e.g. climate finance).

2. How to make domestic data collection more effective and efficient?

21. This topic, possibly for discussion in a working session with all domestic reporting institutions, covers three items:

A. Improved reporting by domestic reporting institutions to the statistical team.

22. Many countries struggle to get comprehensive and good data from domestic reporting institutions. Reporting on development co-operation activities is usually not among their main priorities and they do not necessarily have the expertise to report on all the requested fields. This dimension serves to exchange ideas on how to encourage (or oblige) domestic reporting institutions to provide data, for example by including a reporting obligation in a law or by offering visibility of an institution’s ODA portfolio in a publication. Having the right co-ordination and training mechanism in place can also
contribute to improved reporting; for example, it facilitates communication on changes to the reporting requirements which is essential for data quality. A concise document with domestic reporting instructions can support personal communication between the statistical team and the reporting institutions.

23. A half day workshop with domestic reporting institutions can be organised to discuss how the domestic reporting process can be improved. The Secretariat could also conduct a training session, supporting the training efforts by the statistical team of the country to be reviewed.

**B. The format for collecting data domestically.**

24. One important part of the domestic data collection process is the format used to collect the data. Some countries have online platforms, while others use Excel sheets. Some countries may ask for more types of information to domestic reporters than others. One could request only a simplified set of CRS fields, the full CRS template or also include data beyond the CRS which is needed for domestic purposes or reporting to other institutions.

25. Several countries have smart ways of collecting data from domestic reporting institutions while minimising the reporting burden. Especially in online platforms there are many options to automatise and facilitate part of the data collection process. There is a strong peer learning aspect to this dimension, which is why it may be logical to have a peer country lead on it. There are also many parallels with the work of the Secretariat that, in the end, also collects data from a large number of institutions (around 90). The Secretariat may pick up ideas to improve its own data collection systems.

**C. The capacity and resources of the statistical teams.**

26. The statistical teams themselves need to be well-resourced, both in terms of availability of sufficient and well-trained human resources and in terms of IT-equipment and other tools. The question could be discussed how the teams in different countries make sure they have enough resources and capacity. Another question to address is how data processing can be streamlined to decrease the processing burden of the team. Some countries may have automatised data processing to a certain extent, something that could be of interest to other countries or the Secretariat.

**3. How to improve reporting to the OECD and how to consolidate quality reporting over time?**

27. This dimension, most logically led by the Secretariat, focusses on how to improve reporting to the OECD. The Secretariat carries out an assessment each year on the timeliness, coherency and accuracy of data provided by reporting countries, as well as on convergence of activity-level data in CRS format with the main DAC aggregate figures. This assessment is the basis for this discussion. However, this dimension has a strong peer aspect to it as well. Peers can advise each other on how frequently made mistakes in reporting can be avoided, or what tools they use to improve coherency and timeliness of the data.

28. Another important challenge identified by the Secretariat is how to deal with staff turnover while consolidating quality reporting over time. The review provides the opportunity to discuss what mechanisms are in place to make sure knowledge does not get lost and that the quality of reporting is not affected by these staff changes.
4. How to better monitor recommendations and commitments, for example the DAC Recommendations on Untying ODA and on the Terms and Conditions of Aid, and the commitment on increasing aid to countries most in need?

29. Performance on DAC recommendations and international commitments is not purely a matter of putting the right policies in place. It is also about the way performance is monitored and measured. Are data reported correctly to monitor the Recommendation on Untying ODA? Can a country do more to disaggregate activities targeted to least-developed countries? Can the Secretariat do more to estimate ODA to least-developed countries? All these questions can be addressed in this session.

5. How to improve transparency and the related performance on transparency indicators and indices?

30. The purpose of this dimension is to exchange ideas on how to improve countries’ transparency as well as performance on transparency commitments and indicators, such as the Global Partnership Transparency Indicator, the Open Governance Partnership commitment and the Aid Transparency Index of Publish What You Fund.

6. Are the data fit for purpose?

31. If possible, the country to be reviewed could include a mapping of data users in an Annex to the Note. Usually, these include partner countries, the government, policy makers, parliamentarians, other national and international public administrations, civil society, academia and research institutes and the general public. The main question of this dimension is if the right data are available to address the needs of the different stakeholders and in an easily accessible format. The data need to be fit for partner countries to use in their aid management systems, for policy makers to base their policy decisions on and for academics and research institutes to carry out research in the field of development co-operation. Statistical teams may also need the data themselves to respond to requests and surveys from domestic and international stakeholders, beyond regular reporting to the OECD.

7. How are data disseminated?

32. Countries have different tools in their disposal to disseminate their statistics: publications, websites, specific online data visualisation tools, press releases etc. This dimension serves to exchange ideas on how to best communicate on development co-operation statistics. The country to be reviewed or the peers could present innovative tools for data dissemination. The issue of (legal) constraints to data disclosure can also be discussed in this session.