

DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE

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UPDATE ON HOSTING ARRANGEMENT FOR THE MULTILATERAL ORGANISATIONS
PERFORMANCE ASSESSMENT NETWORK (MOPAN)

DAC Meeting, 7 February 2012

This document is submitted for INFORMATION under Item 5 of the Draft Annotated DAC Agenda [DCD/DAC/A(2012)1].

The Director of the Development Co-operation Directorate will present the key elements of the proposed hosting arrangement for the MOPAN secretariat at the OECD.

This presentation is to facilitate members' understanding of the current document, which includes:

- 1 - Note on Procedure for OECD Council approval of a MOPAN hosting arrangement.*
- 2 - Draft Policy Note on MOPAN hosting arrangement.*
- 3 - Draft Memorandum of Understanding and Draft Financial Arrangement documents.*

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NOTE ON PROCEDURE ADDRESSED TO MOPAN MEMBERS

Accompanying the *Policy Note* and the *Memorandum of Understanding* on the hosting of the Multilateral Organisation Performance Assessment Network (MOPAN) Secretariat by the OECD

1. This note serves to outline the procedure for approval of the hosting of the MOPAN Secretariat at the OECD. The adjoined Policy Note and Memorandum of Understanding (hereafter “Memorandum”) will be presented to the OECD Council for approval.¹
2. The language used in this Memorandum is the standard used in this Organisation for hosting arrangements. The Secretariat can clarify information about any questions that members may have.
3. One important issue that will be considered by the OECD Council is the financing of the hosting project. In particular, the OECD Council will ensure that MOPAN members commit to finance the MOPAN Secretariat for the whole duration of the project, in line with the established budget of EUR 5.3 million outlined in Annex A of the Memorandum. For this purpose, MOPAN members will have the option of either using a simple offer letter or a financial agreement as provided in Annex B1 and B2 of the Memorandum, to provide contributions. These are standard models, and it is important for all MOPAN members to agree to use one of these models.
4. Once the OECD Council has agreed to the hosting arrangement, each MOPAN member will be required to sign the Memorandum and simultaneously make the financial commitment in the format mentioned above. Only when all MOPAN members sign the Memorandum and make their financial commitment will the OECD Secretary-General sign the Memorandum, which will officially establish the MOPAN Secretariat at the OECD.
5. In terms of the transitional contractual arrangements with the intellectual service provider conducting assessments based on the MOPAN Common Approach, MOPAN members may, once the Memorandum and financial commitments are signed, decide to continue the work with the current intellectual service provider, and negotiate the contract, subject to validation by the OECD Procurement Board and compliance with OECD rules and procedures.

¹ The Council is composed of representatives of the [34 member countries](#) and of the European Commission, and decisions are taken by consensus.

**DRAFT POLICY NOTE ON THE HOSTING OF THE MULTILATERAL ORGANISATION
PERFORMANCE ASSESSMENT NETWORK (MOPAN) SECRETARIAT BY THE OECD**

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1. Background

1. This paper is about the possible hosting of the MOPAN secretariat by the OECD. “MOPAN” is the Multilateral Organisation Performance Assessment Network for a three-year period. It is a network of 16 donor countries² (the “MOPAN members”). Current MOPAN members are also members of the OECD and its Development Assistance Committee (DAC), with a common interest in assessing the organisational effectiveness of the major multilateral organisations they fund. MOPAN members agree to carry out joint assessments, share information and draw on each other’s experience in monitoring and evaluation. The network is in existence since 2003.

2. MOPAN’s role and objectives

2. The MOPAN Common Approach, adopted in 2009, is an annual assessment of selected multilateral organisations operating in several developing countries (partner countries). It looks at the organisational effectiveness of multilateral organisations. It collects data through a survey and a review of documents published by the multilateral organisations. The objective is to generate relevant and credible information to assist MOPAN members in meeting domestic accountability requirements and to support dialogue between MOPAN members, multilateral organisations and their direct clients / partners to improve organisational learning and effectiveness over time.

3. The Common Approach methodology does not encourage direct comparison across multilateral organisations (not least because not all organisations are surveyed each year), but rather assesses organisations against criteria grouped in four different dimensions detailed below. Respondents to the survey include donors (at headquarters and in partner countries), and direct partners of the multilateral organisations at the partner country level, (recipient governments, civil society or other relevant stakeholders). Both the survey and document review process are built around four strategic dimensions:

1. Strategic management
2. Operational management
3. Relationship management
4. Knowledge management

4. Given the level of expertise and volume of work required to conduct the MOPAN assessments, MOPAN currently outsources a large part of its assessment activities (including survey development and implementation and the development and testing of new instruments). However, continued involvement of MOPAN members is essential in order to maintain ownership and ensure that the data collected through the Common Approach responds to members’ needs. The Common Approach methodology is described in more detail in Annex 1.1.³

² Members of MOPAN include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Korea, the Netherlands, Norway, Spain, Sweden, Switzerland, and the United Kingdom.

³ The 2011 assessment covered the Inter-American Development Bank (IDB), United Nations Environment Programme (UNEP), Food and Agriculture Organisation (FAO), and United Nations High Commissioner for Refugees (UNHCR) and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). These five organisations were surveyed in the 12 relevant developing countries and territories

3. Institutionalising the MOPAN Secretariat

5. Until now, the majority of the administrative and coordinating duties of the MOPAN was carried out on a voluntary basis by an annually rotating secretariat, whose services are provided by the member countries themselves (2009: Denmark; 2010: Finland; 2011: Germany/Ireland). As MOPAN membership has increased significantly in recent years and as MOPAN carries out more and more assessments and develops a more complex methodology, the duties associated with MOPAN now require a much stronger institutional framework. This is reinforced by the fact that the network is seeking stronger continuity and efficiency in its tasks in order to consolidate and strengthen institutional memory. As a consequence, MOPAN members have come to the conclusion that the network should be equipped with a permanent secretariat as soon as possible.

6. The MOPAN member countries looked into a hosting arrangement that would offer a more permanent home and a dedicated secretariat to anchor the network's activities. After thorough consideration, they expressed a clear preference for a hosting solution at the OECD. The OECD's comparative advantage as a forum for robust and impartial analysis, a powerful convenor for international debate, and an organisation that develops good practice guidance and peer learning make it an ideal host for the network's work conducting analysis, promoting dialogue and inciting change to improve the organisational effectiveness of the multilateral organisations MOPAN members fund. The current members of MOPAN (16) are also members of the OECD and the OECD Development Assistance Committee (DAC), making it a natural fit to be hosted by the Organisation. It is anticipated that such a hosting would create synergies between the OECD and MOPAN for the benefit of both entities.

4. Synergies between the OECD and MOPAN

7. The OECD and MOPAN shall mutually benefit from knowledge sharing on issues of organisational and multilateral effectiveness and ongoing OECD analysis and networks.

What advantages for the OECD?

8. Hosting the MOPAN Secretariat shall offer the OECD four broad advantages. It shall:

- (1) Strengthen OECD/DAC efforts on aid effectiveness by adding to the toolkit on effectiveness;
- (2) Reinforce synergies with the OECD/DAC work on development evaluation and the basis for the OECD's work on multilateral development assistance (USD 36 billion in 2009, or close to one-third of total aid);
- (3) Raise the profile of the OECD/DAC as a leader in assessments and quality of aid; and
- (4) Heighten the visibility of the OECD in new forums (*e.g.* multilateral organisation headquarters, development partner forums in developing countries)

9. The OECD plays a lead role in supporting the Working Party on Aid Effectiveness by facilitating the implementation of the principles outlined in the Paris Declaration, the Accra Agenda for Action, and more recently the Busan Partnership for Effective Development Co-operation on the more effective provision and use of aid. This includes commitments to increase both the quantity and quality of aid to developing countries, which have been regularly monitored by assessing donors' progress in achieving Paris Declaration targets. MOPAN publishes institutional reports on the organisational effectiveness of multilaterals on the basis of its Common Approach, which would add to the growing toolkit of different approaches measuring aid effectiveness.

10. Hosting MOPAN at the OECD shall strengthen the basis for the Development Assistance Committee's (DAC) work on multilateral development assistance, peer reviews and the overall aid architecture. It naturally lends itself to form synergies with two work streams of the DAC Secretariat, including the work on development evaluation and the work on multilateral aid. The MOPAN process to-date also draws on data collected by the DAC Secretariat on the basis of the [Paris Declaration Monitoring Survey](#). The first two work streams are described in more detail below:

- Evaluation work led by DAC members, including the [DAC Network on Development Evaluation](#) ("Evalnet"), focuses in part on the need for better evidence on development effectiveness of multilateral institutions in collaboration with the United Nations Evaluation Group (UNEG) and the multilateral Evaluation Co-operation Group (ECG), whose membership includes the multilateral development banks. Several peer reviews of evaluation systems in UN organisations have been carried out, contributing to the increased attention paid to producing evidence and demonstrating results in the institutions. A current pilot initiative led by Canada and co-ordinated with the MOPAN secretariat explores ways to improve the information on development effectiveness of selected multilateral organisations.
- Work on multilateral aid, including the annual [DAC Report on Multilateral Aid](#) responds to a request initially set into motion by DAC members at the December 2008 Senior-Level Meeting to analyse the close to one-third of ODA allocated to multilateral organisations, agencies or funds. This work has focused on the supply side, looking at DAC members as investors in the multilateral system, including the motivations for providing multilateral aid and earmarked aid channelled through multilateral organisations; trends in multilateral ODA; and lessons or good practice principles. There is increasing pressure to examine the effectiveness of different multilateral organisations more closely as members' contributions come under close scrutiny (e.g. recent aid reviews in member countries with strong focus on value for money). This is an information gap that MOPAN can help fill.

11. The OECD already undertakes a number of assessments in the quality of aid, most notably the Paris Declaration Monitoring Survey, which just completed its third round, but also peer reviews and assessments on donor predictability, sector-specific investments and the quality of different evaluation systems. MOPAN adds an organisational effectiveness perspective to this growing body of evidence, provides an impetus for further work in measuring the quality of aid, and strengthens OECD leadership in the assessment of aid quality.

12. Finally, the OECD shall gain in visibility as a global knowledge institution hosting a network that is leading the way to provide evidence to shareholders and beneficiaries of multilateral development assistance in forums where it may have less reach, including in multilateral organisations and in countries beyond its membership.

What advantages for MOPAN?

13. The current MOPAN secretariat arrangement rotates on an annual basis amongst MOPAN members, requiring those members to mobilise staff to fulfil the secretariat function and making it challenging to track the institutional memory of the network. Under a hosting arrangement with the OECD, the MOPAN secretariat work plan would have an institutional base and would form synergies with the current work of the DAC and its Secretariat.

14. MOPAN shall become a more effective and professional network, with dedicated resources devoted to perfecting assessment frameworks, indicators, and to reach out to other multilaterals and non-

members. MOPAN would be able to draw directly on existing in-house expertise on evaluation, peer reviews and multilateral aid.

15. Furthermore, under an OECD hosting arrangement, MOPAN would promote its work through its publications, communications and outreach activities, with the aim of increasing awareness of its mandate and expanding its membership. The hosting of a permanent secretariat (the “MOPAN Secretariat”) by the OECD would give MOPAN further leverage and credibility to promote more transparent information sharing and more effective organisations. In the long run, MOPAN’s overall objective is for elements of the Common Approach methodology to be recognised as good reporting practice internalised by the multilateral organisations themselves.

5. Governance arrangements

16. MOPAN envisages that the governance arrangements would include:

- A Steering Committee comprising full MOPAN membership;
- A Steering Committee “Bureau” composed of three Steering Committee members;
- Four Working Groups⁴, including the Technical Working Group to provide substantive input and guidance to the MOPAN Secretariat; and
- A Secretariat within the OECD, headed by the MOPAN Head of Secretariat.

MOPAN Steering Committee

17. The Steering Committee shall be composed of all MOPAN member representatives. Currently MOPAN membership includes 16 donor countries, and membership is open to other interested donors.⁵ To facilitate synergies between MOPAN and DAC work, a DAC delegate from a MOPAN member country shall be invited to join Steering Committee meetings.

18. The MOPAN Steering Committee shall be the main decision-making body for MOPAN and shall provide substantive input to the Secretariat. All decisions will be taken on the basis of consensus. It shall be responsible for the definition and oversight of the MOPAN Secretariat’s Programme of Work and Budget (PWB). Current MOPAN members would automatically qualify as Steering Committee members. Each MOPAN member is responsible for nominating a representative of the Steering Committee.

19. The Steering Committee shall be chaired by a MOPAN member representative. In case of absence of the MOPAN Chair at a meeting, another member of the Bureau (see next section) would fill that role. The MOPAN Chair position would rotate on an annual, voluntary basis but could be extended upon agreement by the Steering Committee. The MOPAN Chair would represent the full membership and would be expected to undertake formal representation and advocacy duties.

20. Steering Committee members retain overall decision-making powers and a political steering function which would guide, oversee, and contribute to the substantive work of the Secretariat. This includes determining the institutions to be assessed each year and the partner countries in which they will be surveyed, as well as approving the MOPAN reports. Members shall continue to provide expertise and facilitate knowledge sharing and learning within the network.

⁴ Four Working Groups exist: (1) Communications; (2) Contractual; (3) Technical; (4) Future of MOPAN.

⁵ Membership is limited to OECD members. Membership criteria and the process for admission shall be further discussed by the MOPAN Steering Committee in 2012. The process for admission shall include the signing of the MOU on the hosting by the OECD of the MOPAN Secretariat and an agreement to contribute on an equal basis to the cost of the Secretariat.

21. Dialogue (among members and with multilateral organisations at the headquarters and the country level) and consensus building among members are also key roles of MOPAN Steering Committee members. Steering Committee members shall ensure that the MOPAN Common Approach assessments are used as guidance for member countries' approaches to multilateral aid. They shall also approve any changes in the direction of the Common Approach.

22. Members shall remain responsible for mobilisation of their staff at headquarter- and partner country-levels to participate in the annual survey process and would also continue to nominate Institutional and Country leads for each survey cycle.

23. The MOPAN Steering Committee shall:

- Set the strategic direction for MOPAN and its Secretariat;
- Decide on the Secretariat's work programme and budget;
- Decide on how the MOPAN network is organised and co-ordinated;
- Approve the establishment of new or *ad hoc* working groups or task teams as appropriate;
- Advise on the appropriate level of funding for and prioritisation of MOPAN activities and oversee the Secretariat's budget;
- Decide on overall staffing levels;
- Decide and oversee the design and implementation of the MOPAN Common Approach;
- Liaise with multilateral institutions throughout the assessment process;
- Promote MOPAN reports as an evidence base for dialogue with multilateral organisations and for MOPAN member domestic accountability requirements;
- Advise on the effectiveness of the ongoing governance structure of MOPAN;
- Advise on communication and dissemination issues.

24. Steering Committee members shall be expected to be "champions" of the aims of MOPAN and advocate for and publicise MOPAN activities within their constituencies. They shall consult and report back to their constituencies about Steering Committee discussions and decisions.

25. The MOPAN Steering Committee shall normally meet in full (plenary) session at least twice a year, or more frequently as necessary. Plenary meetings could take place in the OECD conference centre in Paris or in member countries.

26. The MOPAN Chair shall on occasion allow observers or special invitees to attend MOPAN Steering Committee meetings. Bilateral donors not currently represented on the Steering Committee can be invited to attend MOPAN Steering Committee meetings as observers with a view to becoming MOPAN members. MOPAN reserves the right to a closed door policy to non-members of MOPAN for some or part of its meetings. The DAC and MOPAN Chairs shall host a joint meeting 1-2 times a year to discuss the findings and conclusions from the Common Approach, possibly timed around the DAC High-Level or Senior-Level Meetings (or regular MOPAN meetings).

MOPAN Steering Committee "Bureau" and Technical Working Group

27. MOPAN members believe that at least for the first year of a hosted arrangement, subject to decision by the Steering Committee, it would be prudent to keep a Bureau which could be tasked with providing continuous guidance and support to the Secretariat and its work programme, including agenda-setting for plenary meetings. The composition of the Bureau would be based on the troika system of past, current and future MOPAN Chairs of the Steering Committee. Former chairs of Working Groups shall be

asked to attend meetings of the Bureau as necessary. The Bureau shall meet periodically with the MOPAN Secretariat and the Chair of the Technical Working Group (TWG) via teleconference. These transitional governance arrangements shall be reviewed by the Steering Committee at a later stage. The MOPAN Steering Committee shall also retain the flexibility to convene other Working Groups or Task Teams as needed.

The MOPAN Secretariat

28. The initial duration of the hosting proposal would be three years. Based on the existing work of the current MOPAN secretariat and Working Groups, a list of functions for the MOPAN Secretariat spread across the different job descriptions can be broken down into three broad areas:

- (1) strategic development and technical / analytical responsibilities;
- (2) administrative and communications work; and
- (3) financial and contractual management.

The Terms of Reference of the Secretariat are included in Annex 1.2.

6. Structure of the Secretariat

Institutional structure

29. The MOPAN Secretariat would be administratively integrated to the OECD (Development Co-operation Directorate/ DCD) and would operate under OECD rules and procedures. While the Secretariat would be accountable to the Steering Committee on all matters that fall within its purview, the Secretariat would, for administrative purposes, report to the Director of DCD.

30. The Director of DCD shall ensure coherence with other ongoing work in DCD, including its work on evaluation, aid architecture, and multilateral aid, as well as with other work of the DAC and the OECD as a whole.

31. While integrated in the OECD structure, the MOPAN Secretariat would function under the substantive guidance of the MOPAN's Steering Committee which would decide on the Secretariat's PWB. A separate output result would be included in the DCD PWB, so the MOPAN Secretariat's resources would be ring-fenced.

Staff

32. The Secretariat shall be small and flexible while maintaining the essential critical mass of expertise and capacity needed to accomplish its work and function effectively. The Secretariat shall have three staff to undertake substantive and policy work, supported by one assistant. The Secretariat shall be led by a Head of the Secretariat at the A5 level, with one senior analyst (A4 level), one analyst (A3 level), and one assistant (B3 level) with the part-time support of a Financial Officer (B5) and an IT Officer (B4) particularly in the first year to assist with the set up of the Secretariat. The hiring of one communications officer (B4 level) is optional, and shall be decided by MOPAN members subsequent to the establishment of the MOPAN Secretariat.

33. The Head of the MOPAN Secretariat shall have the experience and authority needed to interact effectively with high-level policy makers. S/he shall also be responsible for organising and overseeing the work undertaken by the Secretariat. While the Head of the MOPAN Secretariat shall not be a formal member of the MOPAN Steering Committee, s/he shall attend all meetings of the Steering Committee and

provide guidance and advice for discussion. S/he shall also be responsible for the representation and advocacy along with the MOPAN Chair. The Head of the Secretariat would lead the day-to-day advocacy work at various conferences and the advocacy work with other international institutions.

34. All positions shall be advertised and staff recruited according to OECD recruitment procedures. The MOPAN Steering Committee shall be consulted on the recruitment of the Head of the Secretariat (A5), but s/he is ultimately selected by the OECD Secretary-General, who shall appoint all Secretariat staff, consistently with the OECD Staff Regulations and Rules. The Head of Secretariat shall be appointed prior to the selection of other Secretariat staff and shall participate in the recruitment of those staff.

7. Financing and budget of the MOPAN Secretariat

35. The total cost of the Secretariat is estimated to be EUR 5.3 million over the three-year period. Provisional cost estimates are included in Annex 1.3 of this document. The MOPAN Secretariat and PWB would be fully funded by voluntary contributions from MOPAN members. In signing the MOU, members will make a firm financial commitment vis-à-vis the OECD for the total duration of the hosting proposal, *i.e.* three years. The total contribution shall be shared equally among MOPAN members and shall be paid in total to the OECD at the date of signature of the Memorandum of Understanding (hereafter “Memorandum”) on the hosting by the OECD of the MOPAN Secretariat or by instalments in advance of each year. In case of default of one of the MOPAN members in the payment of its contribution, the other MOPAN members shall provide the OECD with any additional funding necessary to cover the unpaid share of the defaulting member. It is agreed by the MOPAN members that any new member of the MOPAN shall sign the Memorandum, abide by its provisions and make a financial commitment *pro rata temporis*.

36. In accordance with the statistical reporting directives, contributions to the OECD for the purpose of special funds for technical co-operation may be reported as official development assistance (ODA).⁶ It is therefore anticipated that contributions towards the costs of the MOPAN Secretariat would qualify as ODA.

37. The financial accounts and the functioning of the Secretariat shall be subject to the normal audit procedures of the OECD.

8. Intellectual property

38. As detailed in Annex 1.1, the MOPAN Common Approach methodology is based on a robust set of indicators that have been improved over the years, and which shall continue to evolve. MOPAN members would like to keep ownership of the methodology developed by MOPAN at the date of the agreement on the hosting.

39. As from the date of the signature of the MOU to host the MOPAN Secretariat at the OECD:

- Intellectual property rights related to any improved or revised version of the methodology, jointly developed by MOPAN members and its Secretariat shall be jointly owned by the OECD and MOPAN members. Each entity recognises the rights of the others to use and reproduce the methodology separately, subject to an appropriate acknowledgement of the contribution of the OECD and MOPAN.

⁶ See p. 5 of <http://www.oecd.org/dataoecd/36/16/31724727.pdf>

- Intellectual property rights related to MOPAN publications concerning the results of the surveys assessing the organisational effectiveness of different multilateral organisations shall belong to MOPAN members. However, publications may include an appropriate acknowledgment of the contribution of the OECD and a display of its logo upon request of the OECD. The OECD shall be authorised to use MOPAN publications.
- Intellectual property rights related to any other work carried out by the MOPAN Secretariat shall belong to the OECD.

Annex 1.1: MOPAN Common Approach Methodology

The MOPAN Common Approach is designed to assess the organisational effectiveness of multilateral organisations (MOs). The objective of the approach is to generate relevant and credible information MOPAN members can use to meet their domestic accountability requirements and fulfil their responsibilities and obligations as bilateral donors, as well as to use the findings to support dialogue between donor countries, MOs, and their direct clients and partners to improve organisational effectiveness and learning over time.

MOPAN defines **organisational effectiveness** as the extent to which a multilateral organisation is organised to contribute to development results in the countries where it operates. It examines the organisation systems, practices and behaviours that MOPAN believes are important for aid effectiveness and that are likely to contribute to results at the country level.

The MOPAN Common Approach is not meant as a formal evaluation. Instead, its aim is to respond to the information needs of a group of donors by collecting and producing information that would not otherwise be available about the organisational effectiveness of an MO. It does not compare multilateral organisations to one another since mandates and structures vary too much in scope and nature. Nonetheless, since MOPAN assessments are repeated at regular intervals, they can help determine the direction of a MO's performance over time.

The sections below cover the objective, survey structure, survey respondents, choice of MOs and partner countries, and finally, a brief description of the complementary document review.

Objective

Findings of the MOPAN Common Approach are used to:

- Build a better understanding of multilateral organisation effectiveness;
- Support discussions between partner country governments, bilateral donors and MOs as part of an ongoing dialogue process to strengthen mutual accountability, in particular at country-level;
- Inform the direction and discussion as well as to enhance participation in the governance of MOs (e.g. at an executive board or governing body meeting);
- Strengthen relationships between bilateral donors, MOs, and countries where they operate;
- Contribute to policy-making; and
- Contribute to wider debates about MO effectiveness

Survey structure and organisation

The instrument used to conduct the survey is a Computer-Aided Web Interviewing (CAWI) through an online survey, which can be completed in English, French or Spanish. When it is not possible for respondents to complete the survey online, off-line methods are used. Intellectual service providers manage the survey process.

The main part of the survey consists of a series of closed questions based on the key performance indicators below. Respondents are asked to rate the performance of the multilateral organisation on a scale from 1 (very weak) to 6 (very strong). In addition, respondents are invited to respond to open-ended

questions on what they consider to be the particular strengths and areas for improvement for the organisation.

The Common Approach framework examines four quadrants of performance, which includes the following key performance indicators. In addition, it complements respondents' survey data with a review of documents published by the multilateral organisations assessed. The key performance indicators (KPIs) listed in each quadrant below are tailored to reflect both the type of respondent and the type of multilateral organisation surveyed.

1. Strategic management

- The MO executive management provides direction for the achievement of external result.
- The MO's corporate strategies and plans are focused on the achievement of result.
- The MO maintains focus on the cross-cutting priorities identified in its strategic framework, and/or based on its mandate and international commitments.
- The MO's work in countries and regions is focused on results.

2. Operational management

- The MO makes transparent and predictable resource allocations.
- The MO's financial management is linked to performance management.
- The MO has policies and processes for financial accountability (audit, risk management, anti-corruption).
- Performance information on results is used by the MO to (a) revise and adjust policies and strategies; (b) plan new interventions; (c) manage poorly performing programmes, projects or initiatives; (d) report to the executive committee and acted upon by responsible units.
- The MO manages HR using methods to improve organisational performance.
- The MO's programming processes are performance-oriented.
- The MO delegates decision-making authority (to the regional- or country-level).

3. Relationship management

- The MO coordinates and directs its programming (including capacity building) at the country-level in support of agreed national plans or partner plans.
- The MO's procedures take into account local conditions and capacities.
- The MO adds value to policy dialogue with its partners.
- The MO harmonises arrangements and procedures with other programming partners.

4. Knowledge management

- The MO consistently evaluates its delivery and external results.
- The MO presents performance information on its effectiveness.
- The MO encourages identification, documentation and dissemination of lessons learned.

Survey respondents

Depending on the indicator, different respondents or groups of respondents are targeted. Respondents include:

- **Donors in headquarters:** Those professional staff working for a MOPAN (donor) government with responsibility for overseeing and observing a multilateral organisation at the institutional level (in the donor capital or permanent mission of the MO).
- **Donors in country offices:** Those professional staff working for a MOPAN (donor) government in a partner country who work closely with the multilateral organisation at the country level; and

- **Direct partners / clients:** partner country government, civil society, other relevant stakeholders.

Respondents are identified either by MOPAN members or the multilateral organisations themselves on the basis of familiarity of the organisation assessed. This is confirmed by a “screener” question at the start of the survey asking respondents to identify their level of familiarity with the assessed MO.

Selection of organisations and partner countries

MOPAN selects multilateral organisations for the Common Approach assessment on the basis of three criteria:

1. Perceived importance and interest to all MOPAN members;
2. Medium-term strategic planning and replenishment cycles so that organisations are assessed before the beginning of the planning process, or prior to the start of the replenishment negotiations.
3. MOs should be selected on the basis of the criteria above and re-assessed on a 3-5 year cycle.

Partner countries cannot be surveyed two years in a row and must be representative of a wide geographical spread. They also must have a significant number of MOPAN donors and selected multilateral organisations present in that country.

Document review

Included in the MOPAN Common Approach is a review of documents to complement the survey data. The MOPAN document review explores evidence that the multilateral organisations have the necessary systems in place for an organisation to be effective. The review examines publicly-available documents, including those that the organisations provide.

Three types of documents are reviewed: (1) documents from the multilateral organisation relevant to the indicators above; (2) organisational reviews or assessments – both external and internal – about the organisation’s performance on the dimensions of the MOPAN framework; and (3) external assessments such as the Survey on Monitoring the Paris Declaration (2008), the Common Performance Assessment (COMPAS) report (2008), and previous MOPAN surveys. In effect, the document review serves to triangulate the survey data with other sources of available information.

Annex 1.2: Terms of Reference for the MOPAN Secretariat

The functions of the MOPAN Secretariat will be performed in accordance with the OECD rules, procedures and policies and, are divided into three broad areas: (1) strategic development and technical / analytical responsibilities; (2) administrative and communications work; and (3) financial and contractual management. Such functions include, in particular, the following tasks (Job descriptions for staff shall draw on a combination of the responsibilities described in these three areas):

I. Strategic Development and Technical / Analytical Responsibilities

- Oversee and steer the further development and improvement of the Common Approach as directed by MOPAN members (past improvement of the Common Approach included the document review introduced in 2010).
- Liaise closely with intellectual service providers and the MOPAN Steering Committee to develop, test and refine Common Approach methodology and instrumentation as directed by MOPAN members (including updating of KPIs, MIs, questionnaires, document review, and testing of instrumentation in-country).
- Develop proposals, oversee and manage the monitoring and evaluation of the MOPAN Common Approach to monitor progress and outcomes and to continually improve survey methodology, delivery and the quality of MOPAN products.
- Lead an analytical and strategic analysis of MOPAN findings to continue enhancing MOPAN's relevance to and impact on multilateral effectiveness (*e.g.*, follow developments in other assessments, identify and follow developments of the evolution of good practices in areas of interest for MOPAN).
- In accordance with the OECD Financial Regulations and Financial Instructions, manage all procurement processes and contracts with external suppliers including development of criteria for "Expressions of Interest" and "Calls for Tender", as well as the selection of successful bidders in consultation with members. Track supplier and survey costs on a monthly and annual basis and ensure monthly projected expenditure is within agreed limits.

II. Administrative and Communications Work

- Act as the Network's focal point for members and external partners in close liaison with MOPAN Chair (and Bureau, if appropriate).
- Provide full administrative support to MOPAN members, including the organisation of MOPAN meetings and missions, document management, safeguarding of corporate memory.
- Guide and oversee the implementation of the Common Approach survey process (work with external partners and MOPAN members to coordinate the role of headquarter focal points, institutional and country leads; liaise with multilateral organisations; and oversee production of MOPAN reports).
- Based on the Programme of Work and Budget decided by the MOPAN Steering Committee, develop an annual work plan, communications plan and schedule reflecting both MOPAN internal and external needs in accordance with the Common Approach survey cycle.
- Develop key messages and supporting communications materials to be used or disseminated via different media for different audiences in support of the Common Approach, ensuring quality and consistency across all MOPAN documentation and products.
- Develop advocacy material and disseminate to targeted audiences. Facilitate information exchange and co-ordination among relevant partners, including maintenance of the MOPAN external website and the MOPAN intranet.
- Produce a quarterly newsletter for MOPAN members (and potentially other stakeholders).

- Produce an annual report covering MOPAN's main activities and achievements throughout the year.

III. Financial and Contractual Management

- Financial management of MOPAN funding in accordance with the agreed PWB and guidance from members.
- Prepare the annual MOPAN budget for approval by MOPAN members.
- Provide an annual update on income and expenditure to the MOPAN Secretariat.
- Prepare, issue, and manage supplier/consultancy contracts.
- Arrange payment of invoices.

Annex 1.3: Provisional cost estimates for the MOPAN Secretariat

Multilateral Organisation Performance Assessment Network (MOPAN)			
PROVISIONAL COST ESTIMATE FOR THE MOPAN SECRETARIAT HOSTED BY OECD			
	Year 1 ⁽¹⁾	Year 2	Year 3
A. Secretariat staff costs ⁽²⁾			
For a 4-person team:			
A5 - Head of Programme	202,836	208,910	214,760
A4 - Senior Analyst	175,702	180,774	185,835
A3 - Analyst	155,009	159,605	164,074
B3 - Assistant	83,110	85,193	87,578
Part time assistance to support MOPAN team: ⁽³⁾			
B4 - B4 IT Support	16,015	8,247	8,445
B5 - Financial Officer	26,239	8,746	8,746
Optional position: B4 - Communications Officer ⁽⁴⁾			
Total	658,911	651,475	669,439
B. Non-staff costs			
Consultancies (MOPAN estimate) ⁽⁵⁾	817,302	817,302	817,302
Missions/travel	50,000	50,000	50,000
Translations	110,000	110,000	110,000
Operating expenses ⁽⁶⁾	31,983	25,352	25,352
Total	1,009,285	1,002,654	1,002,654
C. Cost recovery charge for voluntary contributions ⁽⁷⁾			
Total	335,804		
GRAND TOTAL (A + B + C)	2,003,999	1,654,129	1,672,093
			3-YEAR TOTAL
			5,330,221

Notes

(1) Year 1 includes start-up costs

(2) There may be some variation in staff costs depending on the level at which staff are recruited.

(3) Part-time support to help set up financial structure in year 1 and provide support for OECD standard reporting and an annual statement of income and expenditure in years 2 and 3. Part time IT support to help new staff become familiar with OECD IT systems. However, this does not include costs for any other type of IT service/expertise that could be required for MOPAN to deliver/manage its work programme e.g. data collection/processing, database management or online dissemination.

(4) A decision to recruit or not for this position will be decided by MOPAN Members subsequent to the establishment of the Mopan Secretariat. The approximate annual cost of a B4 comms officer is in the order of 90K euros.

(5) Based on current cost estimates. Cost of the consultancy may vary.

(6) This includes ICT costs and basic running expenditure. Small meeting rooms (up to 25 people) are available for use without any charge at OECD but need to be booked well in advance. If a medium sized room is required, there is a daily charge of approx 3,000 to 4,000 euros depending on actual size of the conference room. This cost is not included in the above provision.

(7) The cost recovery charge on voluntary contributions (VC) is currently set at 6.3% of the VC amount and is applied to each voluntary contribution accepted as set out in [BC/M(2011)13]. Changes to this charge are subject to Council decision.

DRAFT MEMORANDUM OF UNDERSTANDING**between****the Organisation of Economic Co-operation and Development (OECD)****and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Korea, Netherlands, Norway, Spain, Sweden, Switzerland and the United Kingdom,****on the hosting by the OECD of the Multilateral Organisation Performance Assessment Network (MOPAN) Secretariat**

The Organisation of Economic Co-operation and Development (hereafter the "OECD") and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Korea, Netherlands, Norway, Spain, Sweden, Switzerland and the United Kingdom, which are Members of the Multilateral Organisation Performance Assessment Network (hereafter the "MOPAN Members"), individually hereafter indicated as the "Party" and collectively the "Parties";

Noting that the MOPAN is an independent network in terms of financing and the content of its work programme, and considering the increase of its activities, has decided that its work shall be better pursued through the establishment of a small permanent secretariat (hereafter the "MOPAN Secretariat");

Noting the decision of the OECD Council of [DATE] to host the MOPAN Secretariat;

Considering that the OECD's efforts on aid effectiveness and work on multilateral development assistance will be strengthened by the opportunities of knowledge sharing between the MOPAN Secretariat and the OECD, and particularly the OECD Development Assistance Committee;

Considering, in this context, the need to precisely define how the MOPAN Secretariat will be hosted by the OECD;

Have agreed on the present Memorandum of Understanding (hereafter the "Memorandum").

General principles

1. The MOPAN Secretariat shall function under the substantive guidance of the MOPAN's Steering Committee which shall also decide on the Work Programme of the MOPAN Secretariat.
2. The MOPAN Secretariat shall be administratively integrated into the OECD and shall report, for that purpose, to the Director of the Development Co-operation Directorate.
3. Except as otherwise provided by this Memorandum or agreed by the OECD Council, the MOPAN Secretariat shall carry out its functions in accordance with the rules and practices of the OECD, in particular those with regard to staff and financial administration. The MOPAN Secretariat's documents shall be classified in accordance with the rules and practices of the OECD. Access to documents of the OECD and of the MOPAN Secretariat shall be allowed in accordance with the rules and practices of the OECD.

4. Except as otherwise agreed by the Parties, all costs related to the functioning and to the staff of the MOPAN Secretariat, including costs linked to the termination of appointments, shall be borne by the MOPAN Members.

Recruitment and staffing of the Support Unit

5. The MOPAN Secretariat shall be led by a Head of the Secretariat appointed by the Secretary-General of the OECD. The MOPAN Steering Committee shall be consulted in the recruitment for this position.

6. The Secretary-General of OECD shall appoint all staff members of the MOPAN Secretariat in accordance with the rules and practices of the OECD.

7. The staff of the MOPAN Secretariat, including staff loaned or seconded to it, shall be selected in accordance with the OECD's recruitment procedures.

Funding and Budgetary procedures

8. The MOPAN Secretariat shall be fully funded through voluntary contributions from the MOPAN Members to the OECD.

9. The MOPAN Members shall make a financial commitment to cover the whole period of duration of this Memorandum in line with the estimated budget contained in Annex A, which is an integral part of this Memorandum. Where staff are seconded and financed directly by a MOPAN Member, the budget shall be reduced commensurately. All unbudgeted and unforeseen expenses shall be paid for by the MOPAN Members. In case of default of one of the MOPAN Members in the payment of its contribution, the other MOPAN Members shall provide the OECD with any additional funding necessary to cover the unpaid share of the defaulting Member.

10. The MOPAN Members shall disburse their total financial contribution at the date of signature of the Memorandum or by instalments in advance of each year. These contributions shall be in Euros. Each MOPAN Member will establish a financing arrangement with the OECD through the simple offer letter attached in Annex B1 or by using the model attached in Annex B2.

11. The OECD administers the contributions in accordance with its Financial Regulations and with all other applicable rules, policies and procedures.

12. An annual financial report showing income and expenditure shall be provided to the MOPAN Members and also be made available to the OECD Council. Reporting to the MOPAN Members concerning the implementation of the Work Programme will be done through the standard progress reports (every six months), in accordance with the OECD rules. The transactions of the MOPAN Secretariat shall be subject to audit in accordance with the OECD's normal auditing procedures.

13. Notwithstanding the provisions of the financial rules of the OECD, appropriations that have not given rise to a commitment by the end of the financial period for which they were appropriated, and any remaining net amounts, shall be automatically carried forward to the budget of the ensuring period by decision of the Secretary-General.

Intellectual property and Acknowledgement

14. The MOPAN Common Approach methodology (hereafter the "Methodology") is designed to assess the organisational effectiveness of multilateral organisations. The Methodology developed by the

MOPAN Members prior to the signature of the present Memorandum shall be the property of the MOPAN Members. The OECD shall be authorised to use the MOPAN publications.

15. As from the date of signature of the present Memorandum:

- Intellectual property rights related to any improved or revised version of the Methodology, jointly developed by the MOPAN Members and the MOPAN Secretariat, shall be jointly owned by the OECD and the MOPAN Members. Each Party recognises the rights of the others to use and reproduce the Methodology separately, subject to an appropriate acknowledgement of the contribution of the OECD and the MOPAN.
- Intellectual property rights related to MOPAN publications concerning the results of the surveys assessing the organisational effectiveness of different multilateral organisations shall belong to the MOPAN Members. However, publications may include an appropriate acknowledgment of the contribution of the OECD and a display of its logo upon request of the OECD. The OECD shall be authorised to use MOPAN publications.
- Intellectual property rights related to any other work carried out by the MOPAN Secretariat shall belong to the OECD.

Application, duration, modification and termination

16. The MOPAN Secretariat will be established following agreement on this Memorandum and when commitments by the MOPAN Members have been secured to fund the MOPAN Secretariat for a three-year period. The OECD and the MOPAN Members will meet as necessary to discuss matters involving the application of the Memorandum. It is agreed by the Parties that any new member of the MOPAN shall sign the present Memorandum and abide by its provisions.

17. This Memorandum shall take effect on its date of signature for a period of three years, subject to the renewal by mutual agreement of the Parties. It may be terminated by either Party, by written notice. Termination shall take effect twelve months from receipt of the written notice by the other Party.

18. The Memorandum may be modified at any time by written mutual agreement.

19. If modification or termination of this Memorandum entails that the MOPAN Secretariat is no longer administratively integrated within the OECD, the costs of separation of the staff of the MOPAN Secretariat as well as all other direct costs linked to the orderly winding-up of this Memorandum, shall be borne entirely by the MOPAN Members. They undertake to provide any additional funding for that purpose and such additional funding shall be borne in a share proportional to the financial contribution of each MOPAN Member.

OECD Secretary – General

Each MOPAN Member

ANNEX A

**PROVISIONAL COST ESTIMATES FOR THE MOPAN SECRETARIAT
(Euros)**

Multilateral Organisation Performance Assessment Network (MOPAN)			
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(6) This includes ICT costs and basic running expenditure. Small meeting rooms (up to 25 people) are available for use without any charge at OECD but need to be booked well in advance. If a medium sized room is required, there is a daily charge of approx 3,000 to 4,000 euros depending on actual size of the conference room. This cost is not included in the above provision.

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ANNEX B1

Offer Letter for the funding of the Multilateral Organisation Performance Assessment Network (MOPAN) Secretariat

On the letterhead of the donor:

dated

Dear (Head of project),

I am writing to inform you that [NAME OF MOPAN MEMBER] will contribute (currency and amount) to support the costs related to the MOPAN Secretariat.

This amount will be paid [on date] or on receipt of an invoice from the OECD.

I note that the Organisation for Economic Co-operation and Development shall administer the contribution in accordance with its Financial Regulations and other relevant rules, policies and procedures, which provide for an administrative cost recovery charge.

I agree that the contribution will be pooled in one single fund along with contributions from other MOPAN members and agree that financial reporting requirements are met with an annual financial statement of income and expenditure for the fund. Reporting to the MOPAN Members concerning the implementation of the Work Programme will be done through the standard progress reports (every six months), in accordance with the OECD rules.

Yours sincerely,

Signed

ANNEX B2**CONTRIBUTION AGREEMENT BETWEEN [NAME OF MOPAN MEMBER] AND
THE OECD****For the funding of the Multilateral Organisation Performance Assessment Network (MOPAN)
Secretariat**

The [NAME OF MOPAN MEMBER] and the Organisation for Economic Co-operation and Development (the OECD) have agreed as follows:

1. Under the aegis of the [MOU signed xxxx] (the “MOU”) to which [NAME OF MOPAN MEMBER] is a signatory, the OECD will host the MOPAN Secretariat.

2. The [NAME OF MOPAN MEMBER] will contribute [EUR] to support the costs related to the MOPAN Secretariat.

3. The Contribution shall be paid upon signature of this Agreement and receipt of the corresponding invoice from the OECD.

[ALTERNATIVELY: 3. The Contribution shall be paid in three instalments, in advance of annual expenses, in compliance with funding requirements as set out in the Annex A of the MOU “Provisional Cost Estimates”, in equal share with other MOPAN Members:

- The first instalment of [EUR] shall be paid upon signature of this Agreement and receipt of the corresponding invoice from the OECD.
- The second instalment of [EUR] shall be paid eleven (11) months after signature of the MOU and receipt of the corresponding invoice from the OECD.
- The third instalment of [EUR] shall be paid twenty-three (23) months after signature of the MOU and receipt of the corresponding invoice from the OECD.

4. The Contribution will be administered according to the Financial Regulations of the OECD, and according to other OECD applicable rules, procedures and policies, which currently provide for an

administrative cost recovery charge of 6.3% of the total contribution amount. The expenditures will be recorded in the accounts of the OECD, which follow generally accepted accounting principles and which are subject to audit in accordance with the OECD's standard audit procedures.

5. In the interest of efficiency, contributions to the work of the MOPAN Secretariat will be pooled in one single fund whereby all MOPAN members accept and agree that financial reporting requirements are met with an annual financial statement of income and expenditure for the fund. Reporting to the MOPAN members concerning the implementation of the Work Programme will be done through the standard progress reports (every six months), in accordance with the OECD rules.

6. Mutually agreed supplements can be made to this Contribution Agreement in the form of an exchange of letters between the OECD and the [NAME OF MOPAN MEMBER], specifying the amount and purpose of the incremental contribution(s).

7. Unspent balances upon completion of expenditure under the MOU will be available for expenditure within the same fund assuming there is a continuation of the work. Should the MOPAN Secretariat cease to function within the OECD, unspent or uncommitted balances shall be refunded to [NAME OF MOPAN MEMBER], as an equal share with other donors.

8. Any dispute, controversy or claim arising out of or relating to the interpretation, application or performance of this Contribution Agreement, including its existence, validity or termination, shall be settled by final and binding arbitration in accordance with the Permanent Court of Arbitration Optional Rules for Arbitration involving International Organizations and States, as in effect on the date of this Agreement. The number of arbitrators shall be one. The arbitrator shall be chosen by agreement between the OECD and the [NAME OF MOPAN MEMBER], or failing such agreement within three months following the request for arbitration, the arbitrator shall be appointed in accordance with the aforementioned Rules at the request of either Party. The arbitration shall take place in Paris, France and all proceedings and submissions shall be in the English language.

[ALTERNATIVELY>8. Any dispute, controversy or claim arising out of or relating to the interpretation, application or performance of this Contribution Agreement, including its existence, validity or termination, shall be settled amicably].

Signed by	
Name	Name of authorised person
Executive Director	Title
Name	
Director of DCD	
For the Organisation for Economic Co-operation and Development	For the [NAME OF MOPAN MEMBER]