

DEVELOPMENT CO-OPERATION DIRECTORATE
Development Assistance Committee**Working Party on Aid Effectiveness****PROPOSED INDICATORS, TARGETS AND PROCESS FOR GLOBAL MONITORING OF THE
BUSAN PARTNERSHIP FOR EFFECTIVE DEVELOPMENT CO-OPERATION****Proposal by the Post-Busan Interim Group****28-29 June 2012, UNESCO, Paris**

This document is shared with participants for DISCUSSION and APPROVAL under item 2 of the draft agenda [DCD/DAC/EFF/A(2012)4].

It sets out the proposal of the Post-Busan Interim Group (PBIG) for the indicators, targets and process through which implementation of the Busan Partnership for Effective Development Co-operation will be monitored at the global level.

More detailed information on the scope of this proposal and the process through which it was developed is provided in the section entitled "About this proposal".

This version builds on a draft reviewed by the PBIG at its last meeting (21-22 May 2012). It has been revised to reflect changes agreed by the group.

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ABOUT THIS PROPOSAL

The Busan Partnership agreement (BPa) calls on the Working Party on Aid Effectiveness (WP-EFF) to agree by June 2012 on “the indicators and channels through which global monitoring and accountability will be supported”. In particular, it commits stakeholders to agreeing on “a selective and relevant set of indicators and targets through which we will monitor progress on a rolling basis, supporting international and regional accountability for the implementation of our commitments.” The WP-EFF assigned the task of developing a detailed proposal to the post-Busan Interim Group (PBIG).

This paper presents the proposal developed by the PBIG on behalf of the WP-EFF. It is submitted to the WP-EFF for approval in its plenary meeting of 28-29 June 2012.

What does this proposal include?

This proposal sets out the following elements of the global framework for monitoring the Busan Partnership agreement which should be approved by the WP-EFF:

- A set of indicators and associated targets which act as a basis for promoting international accountability for implementing the Busan Partnership agreement. For each indicator, targets are proposed (with baseline figures where these are available), key concepts are defined, the construction of the indicator is described, and data sources are identified in a sufficient level of detail to act as a basis for the development of operational guidance by the Global Partnership secretariat.
- A description of the international process through which data will be collected, analysed and reported. This will act as a basis for the secretariat’s support for global monitoring efforts.

What is not included?

The WP-EFF is not being invited to take decisions on *all* aspects of efforts to monitor and report on the implementation of the Busan Partnership agreement. Many decisions will be taken by stakeholders at the level of individual countries, and further guidance may be issued by the Steering Committee of the Global Partnership as needed. To this end, this proposal does *not* include:

- Information on country-specific efforts to monitor Busan commitments, which are an important feature of the Busan agreement, and will be developed by stakeholders at the country level to respond to their own needs and context.
- Detailed terms of reference for narrative reporting or qualitative approaches to monitoring progress (the Busan agreement commits us to agreeing on indicators and targets by June 2012, though as part of this process some guidance may be offered on complementary approaches that could be taken up by the Steering Committee of the Global Partnership in due course).
- Efforts to monitor the implementation of commitments going beyond those made in the Busan agreement (for example, additional commitments or efforts made through voluntary initiatives such as the Busan “building blocks”) – these being beyond the remit of the WP-EFF.

How was this proposal developed?

WP-EFF members have – both directly and through their PBIG representatives – played an important role in guiding the development of this proposal, which is based on:

- Initial written submissions from PBIG members, in which they set out their priorities in terms of which Busan commitments should be monitored at the international level. These submissions also included information on planned or ongoing processes to monitor elements of the Busan agreement, which have helped in identifying potential data sources of relevance.
- Extensive discussion within the April 2012 meeting of the PBIG in which members agreed on a limited list of themes for global monitoring and criteria to guide the development of indicators.
- A joint proposal for specific indicators submitted jointly by partner country members of the PBIG, which was in turn reviewed in detail by a group of volunteers from within the PBIG under the chairmanship of the United Kingdom and Rwanda.
- Detailed review and discussion by the PBIG of an earlier version of this proposal [DCD/DAC/EFF(2012)8], which builds on the work led by Rwanda and the UK. The current proposal reflects the consensus reached by the PBIG in its last meeting (21-22 May 2012).
- In advising on the development of successive proposals, the Secretariat has drawn on the lessons documented from the previous Surveys on Monitoring the Paris Declaration. It has also drawn on the advice of experts within other organisations, including UNDP/UNDG and the World Bank.

What happens next?

Once approved by the WP-EFF, the contents of the proposal will act as the basis for the development of detailed operational guidance by the Global Partnership secretariat during the second half of 2012. This will enable stakeholders to implement the methodology and report data regularly. The indicator factsheets provided in Annex A guided the work of the PBIG and informed the consensus set out in this paper. They incorporate feedback received from a number of stakeholders, though the technical nature of their content – as well as time constraints in the consultation process – mean that they were not the subject of detailed discussion in meetings of the PBIG.

For some indicators relating to themes or commitments that will be monitored for the first time through such a global process (indicators 1, 2, 3, 4 and 8), additional work is needed to ensure the feasibility of the methodology outlined in this paper. Thorough testing of the proposed methodology for these indicators will ensure that they offer a meaningful input to inform discussion within the Global Partnership. Work in these areas will be co-ordinated by the Global Partnership secretariat, in close collaboration with interested stakeholders within the Global Partnership and under the overall guidance of the Steering Committee with a view to confirming detailed methodology in the second half of 2012.

For other indicators, the detailed methodologies presented will be used as a basis for implementation, as they draw on lessons learned from previous monitoring efforts and inputs from various members of the Global Partnership.

Section 4 of this document sets out suggestions that the Steering Committee could take on board as it oversees international monitoring efforts, including the periodic review of global indicators and the methodology underpinning them. It recognises that stakeholders within the Global Partnership have an interest in continuing to develop monitoring and measurement methods as they relate to Busan commitments.

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1. BACKGROUND AND OBJECTIVES OF GLOBAL MONITORING

1.1 Context: the Busan Partnership for Effective Development Co-operation

1. The Busan Partnership agreement (BPa) is the result of an inclusive process of consultation and negotiation in preparation for the Fourth High Level Forum on Aid Effectiveness (HLF4 – Busan, Republic of Korea, 29 November – 1 December 2011). Finalised during HLF4 itself, the BPa sets principles, goals and commitments that aim to improve the effectiveness – and in turn the results – of development co-operation. It is informed by the Paris Declaration on Aid Effectiveness (2005) and Accra Agenda for Action (2008), and sees the endorsers of these agreements reaffirming their respective commitments alongside the new commitments agreed by a much broader set of stakeholders in Busan.

2. The BPa is a joint declaration of a political nature. The BPa places an emphasis on country-level implementation and the monitoring of efforts in ways that meet the needs of developing countries and are appropriate to country context. Countries and organisations lending their support to the BPa have also agreed to “hold each other accountable for implementing [their] respective actions in developing countries and at the international level” (BPa §13). More specifically, the agreement foresees:

- Country-led efforts to put in place frameworks to monitor progress and strengthen mutual accountability for the effectiveness of development co-operation, and in turn development results.
- Global-level agreement, by June 2012, on a framework – including a selective and relevant set of international indicators and targets – that will be used to monitor progress towards more effective development co-operation. (See BPa §35-36.)

3. The BPa stresses the voluntary nature of the agreement reached in Busan, recognising that different stakeholders may approach a common agenda for development in different ways. Participation in global efforts to monitor the implementation of the BPa is also on a voluntary basis, and is not a prerequisite for participation by stakeholders in the broader political dialogue and activities undertaken under the auspices of the Global Partnership for Effective Development Co-operation.

4. Given the nature of South-South co-operation and the specific characteristics of South-South partners, it is expected that the experience and achievements of these partners in implementing the Busan principles, commitments and actions will be shared on a voluntary basis (for example, through self-reporting on their efforts in areas of interest to them). In this initial Partnership arrangement, these providers of development co-operation are not expected to participate in the global monitoring system proposed. Their future participation in aspects of the global system is a decision left to evolving and sovereign processes, and this will in no way inhibit their full participation in the Partnership as South-South partners.

1.2 Purpose of the global monitoring framework

5. The global monitoring process will inform ministerial-level dialogue within the Global Partnership. Building on previous experience in the monitoring of the Paris Declaration and the Accra Agenda for Action, it is expected that the global framework linked with the BPa should:

- Support accountability for the implementation of the Busan commitments and actions by providing a snapshot of progress at the international level;
- Stimulate broad-based dialogue at both the country and international levels on how to improve the effectiveness of development co-operation, including by signalling obstacles and opportunities for further progress.

6. These international efforts are intended to complement and build on efforts at the country level monitoring progress and strengthen mutual accountability. Stakeholder feedback suggests that developing countries have found the existence of a global framework and targets to be a helpful reference point for negotiating more detailed and relevant in-country frameworks in the past, supporting accountability at the country level.

7. While the indicators offer a degree of insight into the efforts of individual countries and organisations as they implement their commitments, it is important to emphasise that they are intended to act as an input to a broader political dialogue on development co-operation and its effectiveness, rather than to act as a narrow score card for the ranking of countries and organisations. This is particularly the case for those indicators where the results shown cannot be attributed clearly to one stakeholder. Recognition also needs to be given to the different institutional mandates of development co-operation providers, which may explain variations in performance.

8. While the BPa calls for a stronger focus on development results, the purpose of this global framework is to support international accountability for “making progress in the implementation of commitments and actions agreed in Busan” (BPa §35). It therefore places particular emphasis on behaviour change in development co-operation efforts, which is in turn expected to contribute to the achievement of results (monitoring of development outcomes is already addressed through other international frameworks, *e.g.* the Millennium Development Goals).

1.3 Embedding indicators and targets in a broader assessment of progress

9. While the BPa foresees a set of indicators and targets to guide monitoring at the international level, there are benefits to be had from drawing on evidence of a qualitative nature to inform monitoring efforts. The selected set of indicators and targets will be supplemented by qualitative approaches and broader reporting on relevant aspects of the Busan Partnership in order to generate richer analysis of progress and ensure reporting that goes beyond a narrower focus on quantitative indicators. The Steering Committee may give further guidance on the range of approaches that could be used to assess progress, including in specific areas that the stakeholders have highlighted during consultations (*e.g.* capacity development and institutional strengthening; aid fragmentation; proliferation of aid channels).

2. GLOBAL INDICATORS AND TARGETS

2.1 Overview

10. Table 1 below presents an overview of the indicators through which Busan commitments will be monitored at the global level. It is worth emphasising the voluntary nature of engagement in the monitoring process at both the country and international levels. The population of countries and organisations covered by the global monitoring framework is thus determined through self-selection, and participation by different stakeholders may grow over time.

11. The list of global indicators is by definition limited in length. The indicators are intended primarily as an entry point for broader political dialogue, and as such they are not intended to offer comprehensive coverage of all principles and commitments on development co-operation. Efforts have been made to retain those indicators from the Paris Declaration monitoring framework that developing countries have identified as particularly important to them. These have been supplemented with a limited set of additional indicators that capture some of the broader dimensions of the Busan Partnership agreement (*e.g.* transparency, gender equality, private sector engagement and the enabling environment for CSOs).

2.2 Data sources and detailed indicator methodologies

12. The global framework consists of both indicators measured at the level of individual developing countries and aggregated to offer an overview of global progress, and indicators measured only at the global level (*i.e.* drawing on other global processes). Drawing on existing data sources helps to limit the burden on developing countries of participating in global monitoring efforts. At the same time, some data is (or should be) routinely available at the country level and the costs of collating this should be limited.

13. Detailed factsheets for each indicator are provided in Annex A. These factsheets set out the means of measurement, method of calculation and data source for each indicator. They also explain the specific Busan (or Paris/Accra) commitment(s) being assessed by each indicator, and describe the extent to which the methodology is already in use, or has been tried and tested.

2.3 Baselines and targets

14. A global target is proposed for each indicator. This does not prevent stakeholders for agreeing different targets at the country level. The rationale or logic underpinning each target is explained in the relevant indicator factsheet (Annex A). The proposed targets tend to be based either on the text of the Busan commitments (as is the case for indicators 2, 3 and 4, for example), or on the formulae agreed in the Paris Declaration targets (*e.g.* indicators 5-7 and 9-10).

15. Estimated baseline figures are provided for indicators where these are available. For most indicators, it is proposed that 2010 be used as the baseline year. For those indicators relating to Paris Declaration commitments, this has the advantage of reflecting progress made since Paris, and offering a baseline drawn from a much broader sample of countries (78 countries participated in the 2011 Survey on Monitoring the Paris Declaration, which is the source of much of the baseline data). This may however

result in more ambitious absolute targets than those agreed through the Paris Declaration (where the target is set relative to a 2010 baseline which is higher than the 2005 baseline).

Table 1. Overview of proposed global indicators and targets

Indicator	Target (2015)	Data source	
		Existing international source	Collected at country level
1. Development co-operation is focused on results that meet developing countries' priorities			
Extent of use of country results frameworks by co-operation providers (specific criteria to be finalised).	All providers of development co-operation use country results frameworks.		■
2. Civil society operates within an environment which maximises its engagement in and contribution to development			
Enabling Environment Index.	Continued progress over time.	■	
3. Engagement and contribution of the private sector to development			
(Measure to be identified, subject to relevant existing data source – see notes in Annex A.)	Continued progress over time.	■ (TBD)	
4. Transparency: information on development co-operation is publicly available			
(Measure of state of implementation of the common standard by co-operation providers to be elaborated based on broad approach set out in Annex A.)	Implement the common standard – All development co-operation providers are on track to implement a common, open standard for electronic publication of timely, comprehensive and forward-looking information on development co-operation.	■	
5. Development co-operation is more predictable			
(a) annual: proportion of aid disbursed within the fiscal year within which it was scheduled by co-operation providers; and	Halve the gap – halve the proportion of aid not disbursed within the fiscal year for which it was scheduled (baseline year 2010).		■
(b) medium-term: proportion of aid covered by indicative forward spending plans provided at the country level.	Halve the gap – halve the proportion of aid not covered by indicative forward spending plans provided at the country level. (Baseline to be determined).		■
6. Aid is on budgets which are subject to parliamentary scrutiny			
% of aid scheduled for disbursement that is recorded in the annual budgets approved by the legislatures of developing countries.	Halve the gap – halve the proportion of aid flows to the government sector not reported on government's budget(s) (with at least 85% reported on budget). (Baseline year 2010).		■
7. Mutual accountability among development co-operation actors is strengthened through inclusive reviews			
% of countries that undertake inclusive mutual assessments of progress in implementing agreed commitments.	All developing countries have inclusive mutual assessment reviews in place.		■
8. Gender equality and women's empowerment			
% of countries with systems that track and make public allocations for gender equality and women's empowerment.	All developing countries have systems that track and make public resource allocations for gender equality and women's empowerment.		■
9. Effective institutions: developing countries' systems are strengthened and used			
(a) Quality of developing country PFM systems; and	Half of developing countries move up at least one measure (i.e. 0.5 points) on the PFM/CPIA scale of performance. (Baseline year 2010).	■	
(b) Use of country PFM and procurement systems.	Reduce the gap [use the same logic as in Paris – close the gap by two-thirds where CPIA score is >=5; or by one-third where between 3.5 and 4.5] (Baseline year 2010).		■
10. Aid is untied			
% of aid that is fully untied.	Continued progress over time. (Baseline year 2010).	■	

3. IMPLEMENTATION ARRANGEMENTS

3.1 Timing and periodicity

16. Global reports of progress on implementing Busan commitments and actions will be produced to inform ministerial-level dialogue every 18-24 months, timed to coincide with ministerial-level meetings of the Global Partnership.

17. The timing and periodicity of data collection will depend on indicators and existing data sources on which they are based. In order to produce periodic global progress reports, the Global Partnership secretariat will draw on existing sources of data as and when they are available. This means that data collected routinely at the country level as part of existing exercises to monitor development cooperation and partnership efforts will be used to inform global indicators which rely on country-level information rather than administering global questionnaire-based surveys at fixed points in time (as was the case with the Paris Declaration survey).

18. Developing countries will be encouraged to ground data collection in existing national monitoring processes, according to their own calendar agreed in-country but using the standard methodology and definitions agreed at the international level for those indicators which rely on country-level information. Such data will then be released on a rolling basis, as they become available, for aggregation and use in global analysis.

3.2 Stakeholder participation and quality assurance

19. In keeping with the voluntary nature of the Busan Partnership for Effective Development Co-operation, the decision to participate in monitoring efforts and collect and provide data for use in global reports is left to the individual country or provider of development co-operation.

20. While much of the data drawn on in the global framework is provided by governments and providers of development cooperation, a wider range of other stakeholders – including CSOs, parliamentarians, local authorities and representatives of the private sector – will be encouraged to participate in country dialogue around these issues.

21. Multi-stakeholder reviews at the country level fulfil an important quality assurance function. Undertaken in the context of countries' own monitoring frameworks, these should wherever possible be used as an opportunity to review key data that are being shared with the Global Partnership secretariat for inclusion in global analysis. Along with the helpdesk and country support arrangements described below, multi-stakeholder validation helps to ensure the accuracy of data used to monitor progress. Country-level stakeholders also have a quality assurance role to play in relation to the global methodology and process, and are encouraged to engage in the review activities proposed in section 4.2.

3.3 Dissemination of findings and use of complementary qualitative evidence

22. The scope and format of the global reports produced by the Global Partnership secretariat will be reviewed by the Steering Committee to ensure that progress reports address areas of relevant interest to the

Global Partnership. The preparation of such reports will draw in part on the evidence of progress and challenges in implementing Busan commitments gathered through the agreed global level indicators set out in this document, and will also draw on relevant qualitative evidence to generate a richer analysis of progress.

23. In many instances, qualitative methods may offer the most appropriate (and sometimes the only) way of assessing progress against Busan commitments. International analysis of existing qualitative evidence will focus on producing syntheses of available evidence through a desk review approach, rather than seeking to generate new qualitative data through an additional global process. In particular, the Global Partnership secretariat will draw on qualitative evidence generated by:

- Country-level assessments in the form of narrative reports produced by developing countries, which may consist of stand-alone national publications, or feature in existing country-level products (*e.g.* annual progress reports on national development strategies; National Human Development Reports or MDG reports).
- Complementary international processes that monitor the effectiveness of development co-operation, including periodic global surveys focusing on progress in specific areas (*e.g.* UN DCF surveys on mutual accountability; sector initiatives such as the IHP+Results and EFA-FTI surveys; civil society-led reviews of the effectiveness of development co-operation).
- Regional initiatives, that are established at the demand of developing countries, and that gather relevant evidence and facilitate the exchange of knowledge and good practices at the regional level. This includes, for example, the results of peer reviews (*e.g.* NEPAD, Pacific Islands Forum), which can strengthen accountability at the regional level and offer additional insights into the implementation of Busan commitments.

3.4 Arrangements for support to participating countries and organisations

24. Consistent with the focus of monitoring efforts at the country level, countries are encouraged to agree on their own country-specific frameworks among actors at the country level. While responsibility for developing and implementing these frameworks lies primarily with developing country governments and their partners, the Global Partnership will provide support to facilitate the exchange of knowledge and good practice across countries. This will help to embed the collection of data for the global indicators within country-level frameworks and processes, and in turn strengthen statistical capacity in relation to development co-operation.

25. If there is interest and demand from developing countries, a global “menu of indicators” could be developed by participating countries with the support of the joint OECD/UNDP support team. Such an approach could assist developing countries as they develop country- and context-specific indicators to track progress in the implementation of partnership commitments (Box 1).

26. A global Helpdesk facility will be maintained by the OECD and UNDP to provide advice to stakeholders in the implementation of the agreed methodologies and processes for monitoring across participating countries and organisations. This builds on positive feedback received from stakeholders on the support provided by both organisations in the context of previous surveys on monitoring the Paris Declaration.

Box 1. Supporting country- and context-specific monitoring efforts through a "menu of indicators"

While developing countries have committed to developing their own frameworks to monitor the effectiveness of co-operation – which may include indicators and targets – a range of existing methodologies are already in use at the country level and can be drawn on in the design of such frameworks. In earlier consultations, several countries expressed an interest in finding ways to share standards, indicators and methodologies relevant to the assessment of progress with other countries facing similar challenges.

Stakeholders from across developing countries could work together – with the support of the OECD/UNDP team – to develop a “menu of indicators” that can be put at the disposal of other countries. Where a country or organisation has a particular interest in developing an indicator to track a specific development co-operation issue, advice can be provided and – once the approach has been tested and is considered to be methodology sound – the methodology is made available to other countries interested in using it. This may be of interest to countries interested in monitoring specific commitments on conflict and fragility, for example.

Such an approach would:

- reduce the burden faced by countries in developing indicators from scratch, with countries facing similar challenges and monitoring needs pooling ideas and expertise to develop appropriate methods; and
- support a degree of comparison and aggregation across countries, which would become feasible in those areas where countries choose to use the same indicators and approaches.

Examples of issues that several countries have indicated an interest in monitoring at the country level through this sort of approach could include use of country-level aid information management systems; in-country fragmentation (e.g. along sectoral or thematic lines); implementation by CSOs of practices that implement their accountability.

4. OVERSIGHT AND FUTURE DEVELOPMENTS

4.1 Arrangements for oversight

27. The Global Partnership for Effective Development Co-operation is the ultimate forum for overseeing efforts to monitor the implementation of Busan commitments. Its Steering Committee would be called on to provide strategic guidance on international monitoring efforts. Depending on the nature and scale of issues arising during the early stages of monitoring, the Steering Committee may consider establishing a dedicated working group, ad-hoc advisory panel or similar light structure to play a specific role in advising the OECD/UNDP team as it co-ordinates global monitoring and reporting efforts.

28. For global monitoring efforts to be credible and support genuine accountability, it will be important that targets are not left open for renegotiation. At the same time, the global monitoring efforts linked to Busan will need to remain relevant to an evolving international agenda. Some flexibility should be envisaged to accommodate new elements or refine methodologies further over time.

29. The Global Partnership may also need to reflect on the degree to which country-level efforts are underway, and where additional efforts may be needed to initiate or support the development of frameworks for monitoring progress and supporting mutual accountability at the country level (for example, through the provision of support as described in section 3.4 above).

4.2 Reviewing the global monitoring framework

30. It is proposed that a light periodic review of global indicators and the methodology underpinning them is undertaken to coincide with periodic reports on progress. This offers the opportunity to take stock of monitoring efforts and ensure that the global indicators agreed in June 2012 remain relevant to developing countries' needs and priorities. This would also contribute to continued global learning on monitoring and draw on broader initiatives, including those of a more qualitative nature, to inform future monitoring and accountability efforts.

31. In addition, a more comprehensive review of the global arrangements for monitoring Busan commitments is proposed towards the end of 2015 / early 2016 with a view to assessing their relevance to, contribution and fit with any broader international development framework that emerges as a successor to the Millennium Development Goals.

ANNEX A – INDICATOR FACTSHEETS

Detailed information on each indicator featuring in Table 1 is provided in the factsheets that follow overleaf. These have been developed to provide methodological detail which will in turn act as the basis for the development of detailed operational guidance by the Global Partnership secretariat. In addition to information on the means of measurement, method of calculation and data source for each indicator, the factsheets include notes that explain why a particular approach is proposed, and to what extent it is already in use, builds on lessons learned and/or needs further development, refinement or field-testing.

Indicator 1. Development co-operation is focused on results that meet developing countries' priorities

Note: This is an area where no measurement has been undertaken so far. As such, the detailed definitions and means of measurement for this indicator remain subject to further work of a technical nature and would require field testing to refine the proposed assessment criteria. In order to keep the process simple, it could be based on a rapid assessment by government officials using a limited number of criteria on use of country results frameworks rather than a detailed assessment of how providers of development co-operation perform on an individual programme/project basis.

The WP-EFF is invited to endorse the broad elements identified below, which will act as a reference for the Global Partnership secretariat as it works with concerned partners to finalise the methodology for measuring progress in the use of country results frameworks.

Relevant Busan commitment	Measure
<p>Paris Declaration (§45) and Accra (§23) commitments, as reaffirmed in Busan, to rely on partner country results frameworks and monitoring and evaluation systems.</p> <p>Busan commitment to adopt transparent, country-led and country-level results frameworks and platforms as a common tool among all concerned actors to assess performance based on indicators drawn from country development priorities and goals and with providers of development co-operation minimising their use of additional frameworks. (§18a)</p>	<p>% of providers of development co-operation using country results frameworks.</p> <p>A score will be assigned using a graduated scale to assess the extent to which providers of development co-operation use country results frameworks, ranging from non use, through partial use to full use.</p>
Indicator construction	Data source
<p>Numerator: Number of development co-operation providers that are using country results frameworks</p> <p>Denominator: Total number of development co-operation providers</p>	<p>Country level data – partner country government assessment against three dimensions.</p> <p>Periodicity to be determined at country level depending on needs and priorities and existing mutual accountability review processes.</p>
Key definitions and criteria	Aggregation
<p>Country results frameworks – a country's approach to results and its associated monitoring and evaluation systems focusing on performance and achievement of development results which includes agreed objectives and output / outcome indicators with baselines and targets to measure progress in implementing them, as stated in national development strategies, sector plans and other frameworks (e.g. budget support performance matrices). Such frameworks should have been developed through participatory processes, involving inclusive dialogue with relevant stakeholders.</p> <p>Use of country results frameworks – providers of development co-operation use country results frameworks as a basis to assess the performance and the contribution to development outcomes of their partnership strategies with the country and the individual programmes and projects they are supporting with the funds they provide. This also means that providers of development co-operation do not impose an additional burden on developing countries through additional indicators and targets, separate data sets and fragmented monitoring and evaluation systems which could undermine their capacities. Dimensions to be assessed include:</p> <p>(i) use of indicators, baselines and targets from national development strategies, sector plans and other relevant</p>	<p>Global; per developing country; per provider of development co-operation.</p> <p>Developing country and provider aggregation: % of providers and % of developing countries respectively.</p> <p>For global aggregation, a weighted average is used: <i>i.e.</i> sum of all numerator values divided by the sum of all denominator values.</p> <p>The unit of observation is the provider of development co-operation in a given developing country. (Consideration could also be given to weighting this indicator according to the volume of resources involved, though the desirability, feasibility and cost-effectiveness of this approach would need to be explored further).</p>

frameworks ; (ii) use of national statistics and data from sector information systems (iii) use of country monitoring and evaluation systems (country and/or sector level).	
Baseline	Proposed target
Not available.	All providers of development co-operation use country results frameworks.
Additional information	
<p>Making progress in this area is a shared between developing countries and providers of development co-operation. While evidence indicates that this is an area where progress has been lagging, this indicator would create incentives for providers of development co-operation to contribute to strengthen country results frameworks and associated M&E systems while using them. The purpose of this indicator is not to serve a narrow scorecard but to provide a basis to better understand the reasons for progress and remaining challenges in using country-led results frameworks and to raise political attention on issues such as continued additional or parallel reporting requirements by providers of development co-operation.</p> <p>Several stakeholders indicated an interest in looking at the quality of results frameworks, and in particular the inclusive processes through which they have been developed. Ways of establishing a link with the quality of results frameworks – including through broader assessments of a more qualitative nature – will be considered as part of the further technical work that will be undertaken on this indicator.</p> <p>This is an area where no measurement has been undertaken so far and would require field testing to refine the proposed assessment criteria. It would be based on perceptions of overall performance on use of country results frameworks rather than a systematic assessment of how providers of development co-operation perform on an individual programme/project basis.</p>	

Indicator 2. Civil society operates within an environment that maximises its engagement in and contribution to development

Note: review and consultation efforts have pointed to the absence of an existing, proven methodology that can be drawn on to assess the Busan commitments in this area. As such, the detailed definitions and means of measurement for this indicator remain subject to further work of a technical nature. The WP-EFF is invited to endorse the broad elements identified below, which will act as a reference for the Global Partnership secretariat as it works with concerned partners to finalise the methodology.

In this particular case, the indicator will be based on ongoing efforts by CIVICUS to develop an Enabling Environment Index. It is not expected that this approach should lead to the collection of new data. Rather, it will draw on data compiled by CIVICUS as part of its broader civil society-led initiative to improve the evidence base on the environment within which civil society operates.

Relevant Busan commitment	Measure
[we will] “implement fully our respective commitments to enable CSOs to exercise their roles as independent development actors, with a particular focus on an enabling environment, consistent with agreed international rights, that maximises the contributions of CSOs to development.” (Busan §22a).	CIVICUS Enabling Environment Index (or selected components of the Index). <i>Note: this index is currently being developed, and will offer a composite measure of the external environment within which civil society operates.</i>
Indicator construction	Data source
<p>The final selection of dimensions and measures will be influenced by CIVICUS’ ongoing work as part of a broader civil society-led initiative on the methodology for the Enabling Environment Index.</p> <p>In practice, this Busan Partnership indicator is likely to draw on part of the CIVICUS Enabling Environment Index, and will take the form of an average of selected dimensions/measures from within the Index (see notes below on the criteria for selecting these measures).</p> <p>The index is being constructed in a way that supports comparison over time and across countries.</p>	<p>CIVICUS Enabling Environment Index.</p> <p>Measures and underlying data sources are still being identified and are likely to include datasets compiled by a range of public, private and non-governmental entities. CIVICUS (2012) provides a draft mapping of potential data sources.</p>
Key definitions and criteria	Aggregation
<p>In finalising the selection of dimensions or sub-dimensions to be drawn from the CIVICUS index and used in this global indicator, particular consideration will be given to those components that relate most directly to the Busan commitments, and are largely within the control of stakeholders adhering to the Busan Partnership, <i>i.e.</i></p> <ul style="list-style-type: none"> • Legal and regulatory framework for civil society operations; and • Selected elements of the governance / political environment that have a direct bearing on civil society activity. <p>(Note: although relevant to a comprehensive analysis of the environment within which civil society operates, some of the dimensions proposed in CIVICUS (2012) may be less relevant to the assessment of stakeholders’ efforts in the context of the Busan Partnership agreement. This is the case for the proposed dimensions on the social and economic environment, and culture of civic participation, for example.)</p>	<p>The unit of observation is the individual country (for all countries – both developing and developed – that choose to participate and for which data are available).</p> <p>The method for global aggregation will depend in part on final choice of indicator (could look at % of countries scoring above a particular score; or average score across all countries) to judge whether the target is met or not.</p>

Baseline	Proposed target
<p>To be determined (based on finalisation of indicator and first round of data compilation to be undertaken by CIVICUS, currently planned for Q1 2013).</p>	<p>Continued progress over time.</p> <p>Rationale: there is no basis in the BPa for a more specific target and the purpose of the indicator is to provide an entry point for a political discussion based on broad trends observed.</p>
<p>Additional information</p>	
<p>See CIVICUS (2012) for an overview of the current state of work to develop the CIVICUS Enabling Environment Index – as part of a broader civil society-led initiative – on which this Busan Partnership indicator will be based.</p> <p>It is worth noting that this indicator is informed by the efforts of a broader, independent work programme led by CIVICUS in collaboration with a range of civil society stakeholders. While the Busan Partnership monitoring framework offers one avenue through which some of the data compiled in the CIVICUS Enabling Environment Index will be disseminated, it is by no means the only one. CIVICUS and other civil society stakeholders have an interest in conducting additional, complementary research and analysis of relevance to the work of the Global Partnership and other local, national, regional and global fora.</p> <p>CIVICUS is currently examining the data sources underpinning its proposed Enabling Environment Index, and will then consult broadly with civil society organisations and other stakeholders on its methodology before finalising it and embarking on data collection and analysis late 2012 / early 2013. It plans to develop the Index through close consultation with a wide range of civil society stakeholders including its alliance members, the BetterAid network of CSOs and expert groups such as the International Center for Not-for-Profit Law (ICNL).</p> <p>Some stakeholders noted that while this indicator does not aim to measure the progress made by CSOs in relation to their own practices (BPa §22b), other forms of evidence might be developed and drawn on by interested stakeholders to inform discussions on progress in the implementation of the Istanbul Principles and the International Framework for CSO Development Effectiveness.</p>	

Indicator 3. Engagement and contribution of the private sector to development

Note: Review and consultation is still on-going regarding the detailed definitions and means of measurement of this indicator which require further work of a technical nature.

The WP-EFF is invited to endorse the broad elements identified below, which will act as a reference for the Global Partnership secretariat as it works with concerned partners to finalise the methodology.

Relevant Busan commitment	Measure
Commitment to enable the participation of the private sector in the design and implementation of development policies and strategies to foster sustainable growth and poverty reduction (BP a§32b)	Index to assess the degree of inclusion of private sector stakeholders in country level dialogue around policy strategies and reforms of the enabling environment for private sector investment and development (subject to data availability). A score could be assigned to countries from zero inclusion to full inclusion, through partial inclusion.
Indicator construction	Data source
To be detailed further (work in progress). The indicator should assess the participation of the private sector (local and foreign, small, medium and large enterprises, business associations, chambers of commerce) and trade unions in the design and implementation of most important reforms of interest for private sector development (including those related to the improvement of the legal, regulatory and administrative environment for private sector investment).	Ongoing work with key partners to assess how best to collect information which ensures country leadership and participation of the private sector (NB. Details to be elaborated further. The secretariat will consult with potential data providers to ascertain availability of data that would offer a reasonable, comparable and realistic quantitative and qualitative assessment of progress in this area).
Key definitions and criteria	Aggregation
“Private sector” refers to the for-profit private sector and should cover both local and foreign enterprises, as well as various sizes of companies. Participation of social partners such as trade unions in country-led policies will be included.	The unit of observation is the individual developing country. The method for global aggregation will depend in part on final choice of indicator (could look at % of countries scoring above a particular score; or average score across all countries).
Baseline	Proposed target
To be determined depending on choice of indicator and data source.	Continued progress over time. Rationale: the purpose of the indicator is to provide means to support broader political discussion on enhanced public private cooperation and further mobilisation of the private sector within the Global Partnership.
Additional information	
<p>Many stakeholders recognise that the inclusion of private sector involvement in the Busan monitoring framework would create useful incentives for partner countries and providers of development co-operation to scale up and deepen public-private dialogue and co-operation. This builds on the Joint Statement on “Expanding and enhancing public-private co-operation for broad-based, inclusive and sustainable development” (Principle 1 – Inclusive dialogue for building a policy environment conducive to sustainable development). For the purpose of this monitoring, focus is made on engagement of the private sector rather than on the impact of such engagement or other aspects such as the assessment of the enabling environment for private sector development. These are expected to be assessed separately (for instance through the Doing Business or the World Competitiveness Index for the latter) or through the Building Block activities as part of their broader assessment of progress in enhancing public private cooperation for broad-based, inclusive and sustainable development.</p> <p>The secretariat is working closely with interested partners (both government and non-governmental stakeholders) to review whether existing or new indicators, methods and data sets would be used.</p>	

Indicator 4. Transparency: information on development co-operation is publicly available

Note: the common standard foreseen in the Busan Partnership agreement and which forms the basis of this indicator has yet to be finalised. As such, the detailed definitions and means of measurement for this indicator remain subject to further work of a technical nature, and will happen after the endorsement of the common standard itself (expected end June 2012).

The WP-EFF is invited to endorse the broad elements identified below, which will act as a reference for the Global Partnership secretariat as it works with concerned partners to finalise the methodology for measuring progress in the implementation of the common standard.

Relevant Busan commitment	Measure
“Implement a common, open standard for electronic publication of timely, comprehensive and forward-looking information on resources provided through development co-operation... This standard must meet the information needs of developing countries and non-state actors... We will [aim to] implement it fully by December 2015. Busan (§23c).	Quantitative measure of state of implementation of the common standard by each provider of development co-operation (exact measure to be determined).
Indicator construction	Data source
To be determined. It is proposed that the group that defined and brokered agreement on the standard itself should agree on the details underpinning this indicator.	Details to be determined, depending on final choice of indicator.
Key definitions and criteria	Aggregation
Exact definitions and criteria will be determined drawing on the main elements of the agreed information standard.	<p>The proposed unit of observation is the individual country providing development co-operation (in the case of bilateral co-operation providers) or organisation (in the case of multilateral providers). In other words, the indicator looks at whether a given provider of development co-operation has implemented the common standard (<i>not</i> how much aid or development finance is covered by the standard).</p> <p>Ideally the indicator would be defined in a way that supports aggregation to the global level, offering a snapshot of progress.</p>
Baseline	Proposed target for end 2015
Not available.	<p>Implement the common standard – All providers of development co-operation are on track to implement a common, open standard for electronic publication of timely, comprehensive and forward-looking information on development co-operation.</p> <p>Rationale: Busan commitment.</p>
Additional information	
<p>In addition to assessing whether the 2015 target (full implementation of the standard) has been met or not, it would be desirable for the indicator to be defined in a way which:</p> <ul style="list-style-type: none"> • provides a graduated measure of the degree of implementation of the standard (in other words, it takes the form of a scale which reflects efforts and recognises that compliance with the standard is not “all or nothing”); • does not involve the collection of new data at the country level. 	

Indicator 5a. Development co-operation is more predictable (annual predictability)	
Relevant Busan commitment	Measure
Paris Declaration commitment to “disburse aid in a timely and predictable fashion according to agreed schedules” (PD §26; reaffirmed in Busan).	Percentage of aid for the government sector disbursed in the year for which it was scheduled by providers of development co-operation.
Indicator construction	Data source
Numerator: Aid flows reported by provider as disbursed in year n Denominator: Aid flows scheduled for disbursement by provider in year n	Country-level data (self-reporting by providers of development co-operation). Annual, according to the developing country's own fiscal year.
Key definitions and criteria	Aggregation
Scope: ODA disbursements for the government sector (as defined in OECD (2010)). ODA flows for year n are considered to have been “scheduled for disbursement” when notified to government in year n-1. It also includes ODA scheduled for disbursement in aid agreements entered into in year n. Note that the definition of ODA scheduled for disbursement is the same as that employed in OECD (2010).	In order to avoid the situation in which under- and over-disbursements cancel each other out, the ratio is inverted in cases where the numerator is greater than the denominator. This is consistent with the approach taken in OECD (2011). Note however that when aggregating (globally, by country or by provider of development co-operation), a weighted average is now used. <i>i.e.</i> sum of all numerator values divided by the sum of all denominator values. This replaces the average country ratio used in OECD (2011) and previous work.
Baseline	Proposed target for 2015
2010 (estimate, 78 countries): 75%	Halve the gap – halve the proportion of aid not disbursed within the fiscal year for which it was scheduled. (Based on 2010 baseline). Rationale: Paris Declaration target
Additional information	
<p>Note that this indicator builds on the broad approach used in indicator 7 of the Survey on Monitoring the Paris Declaration, while introducing modifications that are intended to make it a better proxy for the predictability with which aid is disbursed by providers of development co-operation. This builds on stakeholder feedback and lessons learned.</p> <p>In particular, data for both the numerator and denominator are now sourced from providers of development co-operation, and the inclusion of aid flows in the numerator does not depend on the recording of these disbursements by the developing country government in its accounts.</p> <p>The reference period is now the developing country's fiscal year (rather than the calendar year), and the method of aggregation has been changed (to use weighted averages). These modifications are introduced in response to stakeholder feedback.</p>	

Indicator 5b. Development co-operation is more predictable (medium-term predictability)	
Relevant Busan commitment	Measure
“By 2013... provide available, regular, timely rolling three- to five-year indicative forward expenditure and/or implementation plans as agreed in Accra...” (Busan §24a).	Estimated proportion of development co-operation covered by indicative forward expenditure and/or implementation plans covering at least three years ahead.
Indicator construction	Data source
For a single co-operation provider in a given country: indicator _{year t} = average (a _{t+1} , a _{t+2} , a _{t+3}) ...where a _{t+n} takes a binary value depending on the availability by the end of year t of a forward expenditure plan covering year t+n. 1 if plan available, else 0. Applies to aid for the government sector.	Data collected at country level (reporting by developing country governments on the availability of forward plans).
Key definitions and criteria	Aggregation
Developing country government determines whether, on the basis of its records, a forward expenditure plan is available for each co-operation provider covering each of the next three years. In order to score “Yes”, the plan must meet each of the following criteria: <ul style="list-style-type: none"> • The plan covers all known components of the co-operation provider’s country programme (for example, it covers all aid modalities, and includes estimates of future aid volumes that have yet to be allocated to specific activities or signed in co-operation agreements). • Figures provided relate to the partner country government’s fiscal year. (These criteria are subject to field-testing and further refinement).	Aggregation at the level of each developing country, co-operation provider, and at the global level. Average weighted by volume of ODA disbursed in t-1 (previous year). Note that this method of aggregation is intended to provide an <i>estimate</i> of the scale of resources covered by indicative forward expenditure and/or implementation plans. This reflects the relative importance that a developing country attaches to obtaining forward spending information from a large co-operation provider vis-à-vis a small provider.
Baseline	Proposed target
Not available.	Halve the gap – halve the proportion of aid not covered by indicative forward spending plans provided at the country level. (Baseline year: 2011). Rationale: following the same approach as for in-year predictability (see indicator 5a)

Additional information

Note that data of this nature is not systematically collected at the country level at present, and would require partner country governments to report on the availability of forward spending information for each co-operation provider at regular intervals (this could be achieved through country-level aid information management systems where these are available, or may in the future draw on data published through the common transparency standard where this is implemented). Limited piloting of data collection would be necessary to confirm feasibility.

Data sourced from partner country authorities is an important feature of this indicator, which aims to assess the extent to which partner country authorities have at their disposal information on co-operation providers' forward spending intentions. (Global exercises such as the DAC survey of forward spending plans can provide additional insights, but do not offer information on the availability of forward spending plans to partner country authorities).

The method of calculation and aggregation are adapted from the existing methodology established by the DAC in its regular analysis of co-operation providers' forward spending plans at the international level.

Indicator 6. Aid is on budgets which are subject to parliamentary scrutiny	
Relevant Busan commitment	Measure
Busan commitment to "...strengthen the role of parliaments in the oversight of development processes" (§21a); and also Accra commitment to "facilitate parliamentary oversight by implementing greater transparency in public financial management, including public disclosure of revenues, budgets, expenditures..." (AAA §24).	% of aid scheduled for disbursement that is recorded in the annual budgets approved by the legislatures of developing countries.
Indicator construction	Data source
Numerator: ODA recorded in annual budget for year n. Denominator: ODA scheduled for disbursement in year n by co-operation providers and communicated to partner government.	Data collected at the country level (data taken from existing government budgets and self-reporting by providers of development co-operation).
Key definitions and criteria	Aggregation
The denominator used in this indicator is the same as that used in the calculation of indicator 5a (annual predictability, above). Annual budget refers to the annual budget of the developing country as it was originally approved by the legislature (see OECD (2010: 16) for detailed definitions). The reference period is the developing country's fiscal year.	In order to avoid the situation in which under- and over-estimates cancel each other out, the ratio is inverted in cases where the numerator is greater than the denominator. This is consistent with the approach taken in OECD (2011). Note however that when aggregating (global, developing country or co-operation provider), a weighted average is now used. <i>i.e.</i> sum of all numerator values divided by the sum of all denominator values. This replaces the average country ratio used in OECD (2011) and previous work.
Baseline	Proposed target
Not available (data for the denominator are not currently available by partner country fiscal year). For reference, aid captured in budgets in 2010 as a percentage of aid disbursements (PD indicator 3, 78 countries): 41%	Halve the gap – halve the proportion of aid flows to the government sector not reported on government's budget(s) (with at least 85% reported on budget). (Baseline year 2010). Rationale: Paris Declaration target.
Additional information	
<p>Note that this indicator builds on the broad approach used in indicator 3 of the Survey on Monitoring the Paris Declaration, while introducing modifications that are intended to make it a better proxy for budget comprehensiveness (and in turn domestic oversight and accountability). This builds on stakeholder feedback and lessons learned.</p> <p>In particular, the denominator is now the amount of aid <i>scheduled for disbursement</i> at the outset of year n, rather than ex-post disbursements. This separates measurement of the extent to which government budgets reflect ex-ante aid estimates (this indicator) from the measurement of the realism of estimates ex-post (now captured by indicator 5a).</p> <p>Note that the method of aggregation has changed since that used in previous Surveys on Monitoring the Paris Declaration (weighting of averages).</p> <p>It is worth emphasising that, as with a number of indicators, performance against this indicator can be attributed to the efforts of <i>both</i> developing country governments and their providers of development co-operation. The aim of the indicator is to offer insight into how – together – they facilitate domestic oversight of aid. It is intended to offer a starting point for broader dialogue on parliamentary oversight of aid, rather than a narrow "scorecard" of either developing country governments' or co-operation providers' efforts.</p>	

Indicator 7. Mutual accountability among co-operation actors is strengthened through inclusive reviews	
Relevant Busan commitment	Measure
Paris commitment to jointly assess mutual progress in implementing aid effectiveness commitments (PD §50). Accra commitment to ensure mutual assessment reviews in place in all countries, with stronger parliamentary scrutiny and citizen engagement (AAA §24b). Busan commitment to encourage participation of all development co-operation actors in these processes (§18d); agree country-led frameworks to monitor progress and promote mutual accountability (§35a).	% of countries that undertake inclusive mutual assessments of progress in implementing agreed commitments. (Note: this indicator takes the form of an improved version of PD indicator 12).
Indicator construction	Data source
Numerator: Number of countries considered to have a mutual assessment. Denominator: Total number of countries.	Country-level data. Self-reporting against established criteria.
Key definitions and criteria	Aggregation
See OECD (2010) for existing criteria. Five criteria are proposed: <ul style="list-style-type: none"> • Existence of an aid policy or strategy agreed between partner country government and providers of development co-operation (or elements of such a policy / strategy agreed through other instruments). • Existence of country-level effectiveness targets for both partner country government and co-operation providers. • Assessment against these targets undertaken jointly by government and providers of development co-operation in the last two years. • Active involvement of civil society, local government and parliamentarians in such reviews. • Results of such exercises are made public. <p>The result against each criterion is provided. A country is considered to have a mutual assessment in place when <i>at least four</i> of the five criteria are met.</p>	The unit of observation is the individual developing country (score across five dimensions). Global aggregation based on % of countries meeting at least four of the five criteria.
Baseline	Proposed target
2010 estimate * = 38% (of 78 countries) * NB. the criteria proposed in the current methodology have evolved since those used to collect the 2010 baseline. As such this is an estimate only.	All developing countries have inclusive mutual assessment reviews in place. Rationale: Paris target.
Additional information	
This indicator takes the form of a modified version of indicator 12 of the Survey on Monitoring the Paris Declaration (OECD 2010, 2011). It is worth noting that the 2011 Survey on Monitoring the Paris Declaration already introduced refinements to the criteria and methodology compared with previous years, informed by lessons learned and an emerging body of evidence on national-level mutual accountability (including evidence generated by UNDP and UN DESA under the auspices of the Development Cooperation Forum). It is now proposed that further refinements be introduced to better capture the extent of involvement of stakeholders going beyond governments to include civil society stakeholders and parliamentarians, for example. Rather than offering a simple “yes”/“no” score at the country level, a graduated assessment of the state of progress is offered.	

Indicator 8. Gender equality and women's empowerment

Note: At its meeting on 21-22 May 2012, the post-Busan Interim Group agreed in principle with the proposal to develop an indicator that quantifies progress in the implementation of the Busan commitment relating to gender equality and women's empowerment (below).

The WP-EFF is invited to endorse the broad elements identified below, which will act as a reference for the Global Partnership secretariat as it works to support the finalisation and field testing of a methodology for this indicator. The detailed definitions and means of measurement for this indicator remain subject to further work of a technical nature being undertaken in collaboration with UN Women and other actors.

Relevant Busan commitment	Measure
<p>"[We will] accelerate and deepen efforts to collect, disseminate, harmonise and make full use of data disaggregated by sex to inform policy decisions and guide investments, ensuring in turn that public expenditures are targeted appropriately to benefit both women and men." (Busan §20a).</p>	<p>Proportion of developing countries with systems to track and make public allocations for gender equality and women's empowerment.</p>
Indicator construction	Data source
<p>Numerator: Number of countries that have a system for tracking allocations for gender equality and women's empowerment</p> <p>Denominator: Total number of countries</p>	<p>Data collected from ministries of finance at country level, drawing on existing data sources wherever possible.</p> <p>For example, depending on the exact scope and coverage of the indicator, data could be drawn from a UN Women database of countries working on national planning and budgeting (65 countries in 2011), as well as other relevant data sources.</p>
Key definitions and criteria	Aggregation
<p>The proposed definition for systems for tracking allocations for gender equality and women's empowerment is as follows:</p> <p>(further work is needed to define concepts and criteria so as to enable the operationalisation of this indicator)</p> <ul style="list-style-type: none"> • A system overseen by ministries of finance that considers gender impact in budget decisions and incorporates measures to mitigate any adverse impact on gender equality and women's empowerment, and to actively promote advance of gender equality and women's empowerment. Evidence of this would be proformas for gender impact assessment to accompany bids for funding to Ministry of Finance/ Budget office; and sector gender budget statements accompanying budget documents produced by Ministries of Finance. • A system that marks budget allocations towards gender equality and women's empowerment policy objectives and results. Evidence of this would be budget classification systems, gender markers etc. 	<p>For this indicator, the unit of observation is the individual developing country.</p> <p>Global aggregation: sum of or percentage of developing countries.</p>

Baseline	Proposed target
Not available. To be established for 2011.	All developing countries have systems that track and make public allocations for gender equality and women's empowerment. (Timeline to be agreed.)
Additional information	
<p>It is worth emphasising that the purpose of this indicator is to offer a measure of progress in the implementation of the Busan commitment identified above. This focus on <i>efforts</i> and <i>behaviour</i> is distinct from other existing efforts to monitor gender equality and women's empowerment at the <i>outcome</i> level (<i>e.g.</i> through the MDG framework and other frameworks).</p> <p>Further work is needed to define this indicator in detail and field test it (where the collection of new data is involved). A final decision on the use of this indicator would then be taken based on the results of such field testing / pilot work.</p> <p>Over the course of consultations, stakeholders expressed a range of views on the applicability of this indicator to different countries. Some suggested that it should be applied to all countries, while others proposed that only developing countries should be assessed against this indicator. This proposal focuses on the latter, in view of the focus of the Busan monitoring framework on the effectiveness of development co-operation. Nevertheless, countries at all stages of development are welcome to share evidence on their efforts in this area and performance against this indicator in view of the interest in advancing mutual learning and the exchange of experiences.</p>	

Indicator 9a. Quality of developing country PFM systems																									
Relevant Busan commitment	Measure																								
Paris Declaration commitments to strengthen country systems at the same time as increasing their use (PD §17-30; reaffirmed in Busan §19).	Same as Paris Declaration indicator 2a. This indicator is based on the World Bank Country Policy and Institutional Assessment (CPIA). It takes the value of one CPIA criterion – indicator 13 – which offers a measure of the quality of a developing country's budget and financial management system.																								
Indicator construction	Data source																								
This indicator takes the form of a score ranging from 1.0 (lowest) to 6.0 (highest), scored in half-point increments (0.5).	World Bank (existing international dataset, published on an annual basis and available for IDA countries).																								
Key definitions and criteria	Aggregation																								
<p>The following three dimensions are rated by the World Bank using established criteria:</p> <ol style="list-style-type: none"> a comprehensive and credible budget, linked to policy priorities; effective financial management systems to ensure that the budget is implemented as intended in a controlled and predictable way; and timely and accurate accounting and fiscal reporting, including timely and audited public accounts and effective arrangements for follow up. <p>All three dimensions are given equal weighting. See World Bank (2010) for the detailed criteria underpinning each dimension.</p>	<p>For this indicator, the unit of observation is the individual developing country.</p> <p>When aggregating to the global level, the measure used is the percentage of developing countries moving up at least one measure (<i>i.e.</i> 0.5 points) since the baseline year.</p>																								
Baseline	Proposed target for 2015																								
<p>2010 (for countries participating in PD Survey):</p> <table border="1"> <thead> <tr> <th>CPIA PFM Score</th> <th>>=5</th> <th>4.5</th> <th>4.0</th> <th>3.5</th> <th>3</th> <th><3.0</th> <th>All</th> </tr> </thead> <tbody> <tr> <td>Num. of countries</td> <td>0</td> <td>2</td> <td>8</td> <td>25</td> <td>12</td> <td>9</td> <td>56</td> </tr> <tr> <td>%</td> <td>0%</td> <td>4%</td> <td>14%</td> <td>45%</td> <td>21%</td> <td>16%</td> <td>100%</td> </tr> </tbody> </table>	CPIA PFM Score	>=5	4.5	4.0	3.5	3	<3.0	All	Num. of countries	0	2	8	25	12	9	56	%	0%	4%	14%	45%	21%	16%	100%	<p>Half of developing countries move up at least one measure (<i>i.e.</i> 0.5 points) on the PFM/CPIA scale of performance. (Baseline year: 2010).</p> <p>Rationale: Paris Declaration target</p>
CPIA PFM Score	>=5	4.5	4.0	3.5	3	<3.0	All																		
Num. of countries	0	2	8	25	12	9	56																		
%	0%	4%	14%	45%	21%	16%	100%																		
Additional information																									
<p>This indicator was previously used in the Paris Declaration monitoring framework (indicator 2a) and the methodology described above remains unchanged from that used in the 2011 Survey on Monitoring the Paris Declaration. As such, an existing time series and baseline are available. Note that as in previous years, data are only available for IDA countries.</p> <p>Stakeholder feedback points to some challenges with this indicator, however a review of potential alternatives suggests that this approach still offers a reasonable means of measurement with regular data (annual) and good coverage of developing countries at this point in time.</p> <p>Where other evidence (for example, recent PEFA assessments; assessments of procurement systems using MAPS) is available, this can be drawn on to support dialogue at the country level and to offer a complementary, more in-depth narrative report of progress and challenges in the strengthening of country systems. It could also be drawn on in efforts to devise alternative methods to monitor global progress in the future.</p>																									

Over the course of consultations, stakeholders also expressed their desire that this indicator – which focuses quite narrowly on the quality of budget and financial management – should be complemented with efforts to monitor the effectiveness of developing countries' institutions and systems more broadly, and capacity development efforts. Relevant evidence generated by stakeholders could be drawn on to offer a broader narrative around progress and challenges in this area.

Indicator 9b. Use of country PFM and procurement systems	
Relevant Busan commitment	Measure
Paris Declaration (§21, 26) and Accra (§15) commitments, as reaffirmed in Busan. Busan commitment to “use country systems as the default approach for development co-operation in support of activities managed by the public sector” (§19a).	Note that this indicator combines Paris Declaration indicators 5a (use of country PFM systems) and 5b (use of country procurement systems) to offer a single composite indicator. % of aid disbursements for the government sector using the developing country's PFM and procurement system (average across use of four components a-d below).
Indicator construction	Data source
Numerator: Aid flows using country systems (average of a, b ,c and d) Denominator: Total aid flows for the government sector. where: a = ODA disbursed for the government sector using national budget execution procedures; b = ODA disbursed for the government sector using national financial reporting procedures; and c = ODA disbursed for the government sector using national auditing procedures. d = ODA disbursed for the government sector using national procurement systems.	Country-level data (self-reporting by providers of development co-operation).
Key definitions and criteria	Aggregation
See OECD (2010: 21-26) for detailed definitions and criteria.	Developing country, co-operation provider, global: total of numerators divided by total of denominators.
Baseline	Proposed target for 2015
2005 (32 countries): 40% 2010 (78 countries): 49%	Country target depends on score for indicator 9a above (quality of PFM systems): <ul style="list-style-type: none"> • Reduce the gap by two thirds – a two-thirds reduction in % of aid not using country PFM and procurement systems for countries with a score of ≥ 5 on indicator 9a; • Reduce the gap by one third – a one-third reduction in % of aid not using country PFM and procurement systems for countries with a score between 3.5 and 4.5 on indicator 9a. (Baseline year: 2010). Rationale: based on the logic underpinning the Paris Declaration target (though procurement is now one of the four components of country systems now included in the indicator, rather than being subject to a separate target).

Additional information

This indicator draws on two indicators previously used in the Paris Declaration monitoring framework (indicators 5a and 5b) and the definitions and criteria described above remain unchanged from those used in the 2011 Survey on Monitoring the Paris Declaration, even though the formula for calculation has changed to offer an unweighted average of the four components of country systems covering both PFM and procurement. This responds to the emphasis placed by PBIG members on reducing the number of global indicators (in comparison with previous proposals) and offering a simpler headline narrative around each indicator. Data is nevertheless collected on use of each of the four components of country PFM and procurement systems, so these can be used by interested stakeholders in additional analysis on a particular component of country systems.

Retaining the components and definitions of the previous PD indicators also means that baseline and historical data are available and a time series can be calculated for this indicator.

Indicator 10. Aid is untied	
Relevant Busan commitment	Measure
"Pursuant to the Accra Agenda for Action, we will accelerate our efforts to untie aid." (§18e).	Same as Paris Declaration indicator 8. % of aid that is fully untied.
Indicator construction	Data source
Numerator: Amount of untied aid. Denominator: Total aid.	Existing international data source: self-reporting on tying status by providers of development co-operation through the OECD-DAC Creditor Reporting System.
Key definitions and criteria	Aggregation
Note that all types of aid are considered in the calculation of this indicator. For detailed definitions, see OECD (2007).	Developing country, co-operation provider, global: total of numerators divided by total of denominators.
Baseline	Proposed target
2009 (all bilateral ODA): 79%	Continued progress over time. Rationale: Paris target.
Additional information	
This indicator was previously used in the Paris Declaration monitoring framework (indicator 8) and the methodology described above remains unchanged from that used in the 2011 Survey on Monitoring the Paris Declaration.	
Note that data are only available for those providers of development co-operation reporting through the DAC CRS. The time lag in data collection and publication may be slightly more pronounced than for some other indicators (e.g. the 2011 Survey on Monitoring the Paris Declaration uses data on the tying status of aid in 2009).	

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