

## The Monitoring Advisory Group

### Report to the Tenth Steering Committee Meeting, New York, July 14 -15, 2016<sup>1</sup>

#### Areas for Potential Action by the Steering Committee

- 1. Advance a GPEDC theory of change** Consider launching a Steering Committee process (i.e. a small SC working group) that could advance the work of the MAG towards a GPEDC theory of change and determine its implications for a revised mandate. Consider a short paragraph in the Nairobi Outcome Document reflecting the overall approach of a GPEDC theory of change to be adopted in Nairobi. MAG members if called upon can support these efforts.
- 2. Explore synergies with SDG country reviews** Mandate the JST to facilitate a study on the practical implications and ways forward in creating synergies between the GPEDC revised Monitoring Framework and the SDG review process at country level.
- 3. Approve principles and parameters for a revised Monitoring Framework** Consider adopting / revising the MAG proposed principles and parameters to guide future work on indicators for a revised Monitoring Framework post-Nairobi. These principles can be informed by further reflections by regional and stakeholder meetings following the Second Monitoring Round. Consider a summary of these guiding principles as a short paragraph in the Nairobi Outcome Document to mandate future work on the Monitoring Framework.
- 4. Consider emerging areas for consideration for the revised Monitoring Framework** Integrate some or all of the emerging areas proposed by the MAG into agendas of various preparatory fora for the Nairobi High Level Meeting, to inform the revised Monitoring Framework, consistent with global and country processes to achieve the SDGs.

This MAG report to the July Steering Committee focuses attention on four key elements of the MAG advice, which the MAG believes will help shape the preparations for the Second High Level Meeting (HLM2) in November:

- Section 2:** Developing a “theory of change,” as a foundation for a renewed mandate for the GPEDC and structuring its Monitoring Framework beyond HLM2;
- Section 3:** Developing GPEDC synergies with country and global processes for reviewing progress in achieving the SDGs;
- Section 4:** Clarifying principles and parameters, which should guide the GPEDC in finalizing the indicators for a revised and relevant Monitoring Framework in 2017; and
- Section 5:** Opening discussion on emerging areas and approaches for indicators, in the context of the GPEDC and the means of implementation for the SDGs.

Each section contains specific advice and recommendations, including their rationale. A short summary of this advice and recommendations (without rationale) can be found in an accompany MAG document for this Steering Committee meeting.

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<sup>1</sup> A full report from the Monitoring Advisory Group on its work over this past year will be available in early September 2016.

## 1. Achieving synergies with the SDGs through a revised GPEDC Monitoring Framework

In September 2015, the global community welcomed *Agenda 2030*: a people-centered, universal and transformative, in which the global community committed to “leave no one behind.” Development cooperation is a critical resource for development partnerships, which together are an essential “means of implementation” to achieve the Sustainable Development Goals (SDGs). Efforts to strengthening its effectiveness are not technical and bureaucratic tasks, but rather a crucial responsibility to assure meaningful development outcomes for poor and vulnerable people.

The Global Partnership for Effective Development Cooperation (GPEDC) is a uniquely inclusive multilateral platform, involving 161 countries and 56 non-state actors, with a focus on a sustained political dialogue on improving the quality and effectiveness of development cooperation.

### **An essential and distinct feature of the GPEDC has been its ten-indicator Monitoring Framework.**

This Framework embodies the Partnership’s strong commitment to mutual accountability, evidence-based learning, and multi-stakeholder dialogue for policy and behaviour change in development cooperation at country and global levels. The Monitoring Framework reflects the core principles and priorities for effective development cooperation established by governments and non-state actors in Busan in 2011. It has been refined through technical improvements and broad political ownership over more than a decade, starting with the Paris Monitoring Surveys, and now two rounds of post-Busan country-level monitoring and reporting.

**The Addis Ababa Action Agenda (AAAA, §58) recognizes the principles for effective development cooperation and the complementary efforts of the GPEDC to improve the quality, impact and effectiveness of development cooperation.** The GPEDC’s Monitoring Framework is therefore highly relevant and appropriate to address key issues in the means of implementation (SDG 17) and in this regard the achievement of all SDGs. Periodic implementation of the Framework at both the country and global levels will inform the UN review of progress in reaching the SDG targets.

**Owing to its focus on the dynamics of effective development cooperation, the GPEDC’s Monitoring Framework will play a key role in providing comprehensive data and analysis specifically with respect to the review of the indicator for SDG target 17.16** (enhancing global partnerships for sustainable development): “Number of countries reporting progress in multi-stakeholder development effectiveness monitoring frameworks that support the achievement of the sustainable development goals.” The GPEDC also intends to contribute directly to indicators for SDG 17.15 and SDG 5c.

Recognizing this changing environment, in January 2015, the GPEDC Steering Committee agreed that further work was required to ensure the conceptual and practical relevance of the Monitoring Framework to future *Agenda 2030* accountability efforts. To assist in this work, it created a 12-person experts-based Monitoring Advisory Group (MAG) to provide technical advice to the Co-Chairs and the Steering Committee on the implementation and conceptual relevance of the current Monitoring Framework. This preliminary report focuses on several key areas in its advice.

## **2. A theory of change underpinning a renewed GPEDC mandate**

Over the past year, the MAG has concluded that the mandate and focus of the GPEDC, including its Monitoring Framework, would be strengthened through an agreed theory of change (ToC). To facilitate its work, the MAG developed an implied theory of change in order to situate and assess the Monitoring Framework. (See Annex One for a first representation of the MAG's ToC.)

In its consultation on this implied ToC, the MAG was encouraged by stakeholder interest in developing a full GPEDC Theory of Change. The clear view of the MAG, however, is that the GPEDC ToC is beyond its remit. The role of the MAG is advisory not executive, and a definitive GPEDC ToC must be led by the Steering Committee and have the proactive political and technical buy-in from its key stakeholders.

### **Recommendation:**

**Given the need to develop a generally-accepted GPEDC Theory of Change, the MAG strongly recommends that, as an outcome of this Steering Committee meeting, a SC working group be delegated to develop an agreed ToC, based on the MAG's work and further reflections by Steering Committee members. If called upon, members of the MAG would be willing to be part of this process.**

**To further enable this process, the MAG offers a revised version of its implied theory of change (Exhibit One), taking into account the outcomes of its consultation with GPEDC stakeholders and further MAG deliberations at its June 2016 meeting. This theory of change is derived from the MAG's focus on a relevant and useful monitoring framework.**

### **Some Considerations for a GPEDC Theory of Change**

While the ToC must come from the GPEDC main stakeholders, the MAG offers its best advice on the main parameters of a theory of change, based on its deliberations and experience. These observations raise some issues and possible questions that the GPEDC may want to address in defining a definitive ToC, and some actions that will be needed to make a ToC an effective tool for the GPEDC.

The MAG has refined its implied theory of change based on consultations with GPEDC stakeholders and further discussions among MAG members. This theory of change is also offered as a starting point for further deliberations by the Steering Committee. (See Exhibit One.)

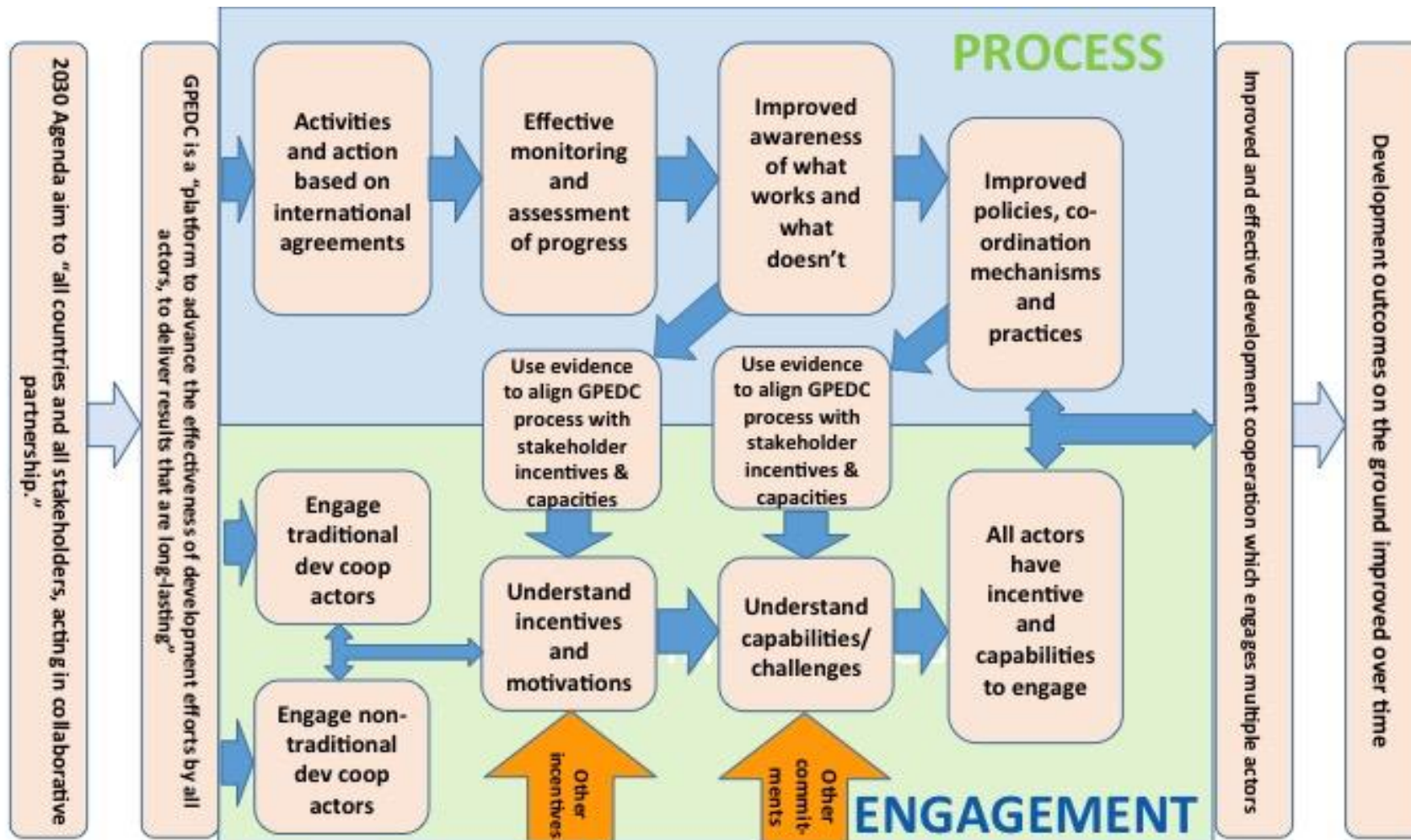


Exhibit One  
MAG Revised Theory of Change

## The importance of context

A Theory of Change can define what change is expected and what actions should be taken in order to bring about that change. However, a ToC does not guarantee that the specified changes will happen. Whilst it is generally advisable to develop a ToC *ex-ante*, it should also be modified periodically in light of experience and evidence of what works and what does not work, taking account the assumptions and externalities noted below.

Crucially it is important to ask the question, “why,” to seek explanation and identify the reasons that change may or may not have happened as planned, and then refine what needs to be done to effect change in behaviour in development cooperation. The experience of the first and second rounds of monitoring provides an important moment and a wealth of evidence from many country contexts, which can be applied to elaborating a GPEDC theory of change.

**It is the view of the MAG that a GPEDC ToC must be situated in the wider context in which the GPEDC and its different stakeholders operate.** The MAG’s implied ToC may define well how the Partnership understands its role and actions, but development cooperation operates in a complex environment with competing aims and interests. This context has three main elements at the global and country level:

- 1. Where does a GPEDC ToC fit within the current architecture of global development discourse and commitments?** The MAG’s implied theory of change derives from recent international agreements relating to development cooperation (Busan 2011, Mexico 2014), and the commitments and activities that follow from them. But as discussed in the next section, it is essential to ask how these existing commitments and processes fit with *Agenda 2030* and the Addis Ababa Action Agenda (AAAA), as well as the global/country architecture (and theory of change) for achieving the SDGs. What are the niche areas that the GPEDC covers that the broader global processes in support of *Agenda 2030* do not?
- 2. How does a GPEDC theory of change actually operate in practice at the country level and in headquarters of global/national providers, and how do these practices relate to each other?** The MAG suggests that the particular political economy of the country / provider context affects GPEDC outcomes in achieving its commitments. How one understands and adapts global commitments (Busan / AAAA) to the country level is essential to understanding how this theory of change might work in each country context.

For the MAG, several elements were seen to be important – the quality of data and the capacities to collect relevant data; how the drivers for change in a global ToC sit within the particular political environment of a given country; and how / if the process of monitoring at country level creates incentives for further dialogue and sustainable behaviour change. Partner countries sometimes note that they observe different provider behaviour at HQ and country level. What are the factors that affect these differences?

**3. How well does a global GPEDC theory of change fit with non-DAC middle-income providers and with other non-state actors?** Does a ToC derived from a global agreement fit with actors for whom the purview of these agreements (effective development cooperation) is not the core focus for these actors – e.g. private sector? Does/should this ToC speak mainly to any actor involved broadly in development? Or does it focus on the core business of DAC donors, some other non-DAC providers, and selected non-state actors involved in development cooperation? The MAG has suggested that the purview of the GPEDC’s Monitoring Framework focus on behaviour change within the scope of development cooperation, and the use of public resources to this end (see below).

### **Issues to Consider in Operationalizing the Theory of Change**

If GPEDC is to develop a theory of change that works in the real world, it will need to take into account and address a number of factors, including the following:

#### **Country context is key**

**A global ToC may be a guide to change, but its relevance will be determined by questions it highlights, and by its corresponding adaptation, to different country contexts.** Each country in which GPEDC operates has its unique political economy, which will impact on how the work of the GPEDC is regarded. For example, commitments made at a global level by a development ministry of a developed country may become subsumed within domestic political priority setting of that provider government. Or agreement to take agreed actions in a partner country may be undermined by a lack of institutional capacity. Understanding these factors in relation to each GPEDC country stakeholder is very important.

#### **Incentives are essential.**

**Within this country context, each GPEDC actor may have a different set of incentives. Incentives for change must be present for all actors – recipient countries, providers and non-state actors.** In the current global context, the incentive to achieve the SDGs may be an important driver of change at the global level. SDGs may be better achieved through more effective development cooperation, which acts as an incentive for a particular actor or organisation at the country level. But these results may not be the only influence that drives institutional behaviour. Understanding these competing incentives, and how they can be managed, will provide a greater likelihood that the incentive to support GPEDC actions will overcome those to act otherwise.

Different forms of incentives are essential. These may include inter alia, demonstrating relevance to the priority goals of decision makers, reputation in meeting commitments demonstrated through monitoring, comparative performance criteria, positive recognition of performance in international fora that matter, or demonstration of cost effectiveness in maximizing results. Headquarters of global and national providers can face challenges, as they need to address different country contexts and related incentive structures in their operations. It is also important to think about the kind of incentives provider HQs may need in order to engage in changing their own practices, especially at the country level.

**The role of evidence and evaluation is crucial.**

**Central to the logic of the GPEDC, its Theory of Change and its Monitoring Framework, is that evidence is the basis to good policy-making.** Clearly this approach may not always be the case, as is demonstrated by current political developments in Europe and North America. Evidence needs to be presented to different groups in different ways and modalities, so that it has a greater chance of being accepted and acted upon. This is why it is key for the GPEDC to have a communication strategy to project results, improvements and challenges to different audiences.

Monitoring provides an important measure of progress against commitments. But in operational terms, the GPEDC's ToC suggests that effective monitoring leads to assessment and better knowledge/learning about what works and what doesn't, better accountability on how to work together as partners, which in turn should lead to better coordination mechanisms and policies, which should lead to better practices. In this process, evaluation is crucial to test the efficacy of the links between principles for effective development cooperation (Busan), the rationale for practices in development cooperation, and real changes in development outcomes (SDGs).

**Actors must be inspired by, and identify their actions, with the ToC**

**Actors associated with the GPEDC must find inspiration in its ToC processes in that they generate benefits for them as development actors, whether they are governments, CSOs, providers, private sector, local government or parliamentarians.** In this regard, an enabling environment for CSOs, inclusion of roles for parliamentarians, addressing gender equality and women's empowerment, relevance to middle-income providers, and the role of private sector actors in development cooperation, among others, are all crucial areas in operationalizing the ToC.

**Behaviour and institutional change takes time, sometimes a great deal of time.**

**For the GPEDC process to have impact, it requires a great many organisations and individuals to change their behaviour.** As we know from achieving behaviour change in areas such as health and road safety, change takes time: sometimes a great deal of it. Change can be fostered, however, with deliberate actions and triggers. Thus whilst the theory of change may be largely valid, it is likely that it will take many years to come to fruition, and there will be reverses. However, a better understanding of each country's political context, and organisational incentives may help achieve behaviour change more readily.

### **3. Developing GPEDC synergies with country /global processes for reviewing the SDGs**

*Agenda 2030* calls for a revitalized and enhanced Global Partnership, "in a spirit of global solidarity, in particular solidarity with the poorest and with people in vulnerable situations." [S39] The means to implement a highly ambitious and comprehensive *Agenda* focus on the mobilization of dedicated domestic resources, but looks to international public finance, multilateral organizations, as well as significant private sector and civil society resources, to fill financing gaps. Development cooperation is therefore a critical resource for achieving the SDGs, not least because it is a unique source of finance whose purposes can be dedicated to "leaving no one behind." For

more than a decade, development actors have focused on implementing principles and commitments to increase the effectiveness of development cooperation.

**The MAG provides the following observations and advice on creating synergies with the follow-up and review processes for the SDGs:**

- a) Convergence at country level can deepen political engagement with the GPEDC Framework**  
Linking the implementation of the GPEDC Monitoring Framework, and analysis of progress in effective development cooperation, to country level SDG reviews and global analysis of progress for the SDGs, will deepen political engagement with the Framework. By facilitating the adaptation and convergence of these monitoring processes in relation to country priorities, the GPEDC, with its experience in country-led monitoring, will add value to global efforts to achieve the SDGs. Convergence will increase the practical usefulness of the monitoring and review exercises for all actors involved to shape policies, means of implementation and cooperation mechanisms with all stakeholders.
- b) The GPEDC adds value through a holistic framework for assessing progress for effective development cooperation, which is implemented biannually at the country level.** The MAG is strongly convinced that the analytical strength and value added of the GPEDC Framework is its holistic approach to development cooperation, which together address key elements of development cooperation practice from a multi-stakeholder and inclusive optic. MAG views in this regard were re-enforced by many comments made by GPEDC stakeholders during its consultations on the theory of change and on indicator proposals.
- c) An effective GPEDC contribution of data and analysis for indicator 17.16.1 is not distinct from its efforts to strengthen the relevance and methodologies of its Monitoring Framework.** The latter provides the content for the former. A key practical issue is timing and avoiding parallel monitoring processes at the country level. In order to contribute to the annual global review of progress for Goal 17 in the High Level Political Forum (HLPF), the GPEDC could consider drawing upon the most recent country data for countries voluntarily undertaking an SDG review for any given year. The JST has recently submitted a rationale and methodology for linking the outcomes of the GPEDC monitoring with indicator 17.16.1. The MAG will review this methodology and offer further advice.
- d) The MAG encourages actors, particularly at the country level, to build on the country-driven experience of the GPEDC monitoring in developing an inclusive SDG review process.** A balanced and active engagement of all stakeholders at the country level, with deliberate attention to resources and capacities, is a crucial enabling environment for an effective review process. Inclusive monitoring can contribute to gathering lessons learnt on what works (and doesn't) and sharing this knowledge across actors, countries and regions. Given the disparities in capacities in some partner countries, the international community must properly resource those countries willing to fully participate, but lack human and/or technical capacities to do so.
- e) The MAG encourages resources be made available to permit the JST to facilitate a study of current planning processes for SDG country reviews (as submitted to the July 2016 HLPF) with a view to understanding the issues in the practical integration of the GPEDC Monitoring Framework.** Such a study should work closely with relevant country level actors, including



those who participated in Round Two, to ensure maximum efficiency and synergies in undertaking both GPEDC monitoring and SDG reviews at country level.

#### **4. Clarifying principles and parameters to guide a post-HLM2 Monitoring Framework**

**The MAG has reviewed the current set of indicators and Monitoring Framework**, received commentary from GPEDC stakeholders on initial proposals for revisions, and taken account of initial reflections on Round Two monitoring at the country level. Based on this detailed work, a final set of proposals covering each indicator, and the Monitoring Framework as a whole, will be attached to the final report from the MAG (see endnote #1).

**The MAG recommends that the finalization of the Monitoring Framework be completed by the JST during 2017, guided by the agreements reached at the Nairobi HLM.** Finalization of a relevant, efficient and useful Framework should take into account the experience of Round Two through already planned consultations with stakeholders in regional post-monitoring workshops in September / October. The JST, in finalizing a Monitoring Framework post-Nairobi, would of course draw upon the proposals from the MAG, which might be further elaborated before and after HLM2. The MAG is also suggesting further technical work be undertaken in a number of “new” areas, which might be integrated into the revised Framework to enhance its relevance for SDG “means of implementation” processes (see Section Five).

**The MAG is proposing that the work of finalizing the Monitoring Framework be guided by a set of principles and parameters**, which are based on its advice arising from its detailed review of the indicators and the experience of Round Two. (See Exhibit Two) These principles have shaped the approach and advice of the MAG in its proposed revisions to indicators and methodologies. They are based on the MAG’s implied theory of change and on its understanding of best practices in maximizing incentives inherent in a monitoring exercise to effect policy and behaviour change for development cooperation.

**In summary, revision to the Monitoring Framework should be guided by principles and modalities that emphasize a framework that is a) Holistic, inclusive and country driven, while sufficiently attentive to the behaviour of global actors; b) Derived from commitments on the part of GPEDC stakeholders; c) Focused primarily on public development cooperation; and d) Incentivizes and influences behaviour and institutional change for more effective development cooperation.** The quality of the outcomes from monitoring will reflect the quality of participation and contributions at the country level by all stakeholders. There are trade-offs between simplicity in indicators and methodologies, and contributing meaningful data/assessment. The MAG opts for the latter, recognizing that there are resource implications for this option. Evidence-based dialogue among stakeholders to promote change will be motivated by the availability of meaningful and accurate data, alongside considered assessment of progress. The promotion of such dialogue is a core purpose of monitoring.

**Exhibit Two**  
**MAG Guiding Principles, Parameters and Modalities**  
**for a Revised GPEDC Monitoring Framework**

1. **The GPEDC takes a holistic approach to monitoring effective development cooperation.** The monitoring framework has been developed as a holistic and inter-related set of indicators for effective development cooperation, one which adds value on the means of implementation and complements SDG review at country level.
2. **The monitoring framework and its indicators are derived from actual commitments made by stakeholders in the Global Partnership.** The monitoring framework is derived from actual commitments made to ensure effective development cooperation, initially in Busan in 2011 (taking up unfinished business from Paris and Accra), supplemented by the High Level Meetings of Mexico (2014) and Nairobi (2016).
3. **The starting point and focus of the GPEDC monitoring indicators is on public development cooperation, in the context of multi-stakeholder partnerships supporting development and the achievement of the SDGs.** While achieving effective development outcomes is the goal, the focus of the GPEDC monitoring framework is changing practices and stakeholder behaviour in development partnerships, linking the “how” or “means of implementation” (GPEDC) to the “what” (the specific SDGs) through development cooperation.
4. **Methodologies are derived from a country-driven framework for monitoring.** The unique value of the framework is that it is driven and coordinated in implementation and content by partner countries, lead by a National Coordinator, and includes country level focal points for all Global Partnership actors.
5. **The purpose of monitoring is to incentivize and influence behaviour and institutional change in development cooperation.** The purpose of monitoring is the collection of relevant data and assessments of progress, not for its own sake, but to contribute directly to incentives and ongoing processes of dialogue at all levels to influence behaviour and institutional change. Creating incentives for change and dialogue on core issues of development cooperation is the benchmark for the usefulness of the evidence developed by any given indicator (including the learning function).
6. **The monitoring framework reflects the GPEDC principle of inclusivity.** Given the inclusive multi-stakeholder character of the Global Partnership in which all stakeholders have a meaningful voice, the monitoring framework must reflect the principle of inclusivity, and balance in contributions, in both the scope of the indicators and in their methodology.
7. **Global provider-related indicators will remain necessary.** While a country-driven process, global provider-related indicators in the current framework, and in any future framework, will remain relevant measures of progress, and will need to be aligned better with country-level implications.
8. **All actors in the Global Partnership must see their contributions to development cooperation in the monitoring framework.** Recognizing the distinctive ways in which different actors in the Global Partnership engage in development cooperation, the framework must include indicators that are seen to be relevant, efficient and useful by each type of actor (partner countries of different income levels, provider, CSOs, trade unions, private sector, foundations, parliamentarians, middle-income providers).
9. **The quality of the outcomes from monitoring will reflect the quality of participation and contributions at the country level by all stakeholders.** The success of the monitoring framework lies in balanced obligations for all stakeholders to actively and fully participate in its implementation at country level. The quality of monitoring data will only be as good as the level of engagement and quality of information provided by all stakeholders at the country level, not just partner country governments.
10. **There are trade-offs between simplicity in indicators and contributing meaningful data/assessment.** There is a balance between a highly simplified monitoring framework and indicators that can contribute meaningful data and assessments to enable dialogue and behaviour change. Given the purposes for the monitoring framework in relation to behaviour and institutional change, and its linkages with SDG reviews, the MAG has opted to stress inclusion and meaningful information.

## **5. Opening discussion on emerging areas for a relevant and useful Monitoring Framework**

In consultation with GPEDC stakeholders, the MAG has identified a number of emerging areas and approaches, which in its view require more focused attention in developing a revised Monitoring Framework. They are also relevant and useful in the context of development cooperation and *Agenda 2030*. These areas include the following:

- a) Adapting the Framework to reflect approaches by middle income providers / recipients;
- b) Enhancing provider Headquarter (HQ) level engagement in the monitoring process;
- c) Consideration of alternatives for indicator three on the private sector, including blended finance as possible entry point for understanding the role of the private sector in effective development cooperation;
- d) Climate finance and the scope of the monitoring framework;
- e) An indicator for multi-stakeholder initiatives; and
- f) An indicator relating to a holistic, or ‘whole of government,’ policy approach to implementing effective development cooperation for the SDGs.

### **a) Adapting the Framework to reflect approaches by middle income providers / recipients**

The MAG had the benefit of reflections on the experience of Mexico, as both a recipient and as a provider of assistance, in implementing the current Monitoring Framework in Round Two. This analysis revealed issues of relevance in some indicators (for example, high level of use of country systems as a recipient, but issues in “on budget” support in relation to technical cooperation as key modality as a provider).

While the Second Round captured a significant amount of South-South Cooperation (SSC) data, for the most part, this data comes from developing country finance management systems and not the participation of SSC providers in the monitoring process at country level.

An important issue for southern providers is how to measure SSC as a whole, where some modalities may not be easily monetized compared to ODA, before even measuring the effectiveness of this cooperation. Would an indicator on technical assistance or capacity development be an efficient entry point for improving the relevance of the current Framework for middle-income providers?

**In review these and other issues raised in the MAG discussion of SSC, the MAG provides the following advice on modest measures to advance this aspect of the Monitoring Framework:**

- i. **For the major middle-income providers**, the GPEDC remains a political issue. Until there is a resolution of a political commitment to fully participate, adaptation of a GPEDC monitoring framework is not the issue, nor would it be helpful as an incentive to the major SSC providers.

- ii. **For other middle income providers / recipients for whom the GPEDC is a relevant platform** in which to participate, the MAG suggests a closer examination of the experience for these provider/recipients in Round Two (such as the analysis provided by Mexico to the MAG) to determine a relevant framework that recognizes their dual roles in development cooperation.
- iii. **Technical cooperation** makes up a significant share for some middle-income provider cooperation. Consideration should be given to adapting a current indicator and/or testing a stand-alone indicator for effective technical cooperation, which is also relevant to traditional providers.
- iv. **Transparency** is both important in itself, and sometimes challenging for middle-income providers, providers owing to the stage of development of the data collection processes and methodologies. But greater transparency for SSC is essential for better understanding of avenues for assessing effectiveness of middle-income provider cooperation.
- v. **Supporting spaces for partner countries to consider SSC** Development actors, not necessarily within the political framework of the GPEDC, might consider appropriate avenues of support for developing country partners in SSC to engage with SSC counterparts on what they value in SSC effectiveness and a framework for assessing these features of SSC. The MAG acknowledges the current work of southern providers and southern think-tanks in undertaking work to develop appropriate methodologies for assessing SSC.

#### **b) Enhancing provider Headquarter (HQ) level engagement in the monitoring process**

Preliminary evidence from Round Two indicates that systematic engagement by providers at HQ level improves provider responsiveness in the country-led monitoring process. In past communications, the MAG has recommended balanced obligations on the part of all actors, including providers, to complement and inform a country-focused monitoring process.

While some providers do face significant challenges at HQ level, with responsibilities for development cooperation spread among different ministries and bodies, these challenges apply equally to developing country partners, with far less capacities and resources.

The MAG implied theory of change points to the importance of “externalities” that affect the space for behaviour change in development cooperation through monitoring and dialogue, and some of these externalities may be driven by provider institutional arrangements and culture. Some changes must happen at the corporate policy level of providers, which in turn enables in-country behaviour change.

A more balanced understanding of the contributions of different development actors to effective development cooperation may require consideration of additional global provider indicators beyond transparency and untied aid. The MAG’s full report will highlight some potential areas.

**In summary, the MAG puts forward the following considerations for further work in this area:**

- i. Creating a balanced framework for all actors** The MAG reiterates its concern that the Monitoring Framework be a balanced framework that calls upon all actors committed to the Global Partnership, including national and global providers, to fully participate in the monitoring round.
- ii. Addressing provider challenges in engaging the current country-led framework** The MAG acknowledges the challenges for many providers in responding effectively to the current monitoring framework at the country level. It looks to providers to proactively identify these challenges and discuss solutions and ways forward with all stakeholders to better enhance their participation in a country-led monitoring process.
- iii. Identifying key areas of provider institutional policies and practices that are seen to be critical for effective development cooperation** The MAG also recommends further discussions with providers and other GPEDC stakeholders to identify key areas of provider institutional policies and practices that are seen to be critical for effective development cooperation, which can inform a provider-specific set of global indicators or modules. Such a module or indicators would be embedded in, and would inform, a country-led monitoring framework, with the latter providing data and assessments about provider performance with respect to the implementation of these policies and practices.
- iv. Addressing these issues at a providers workshop** A provider workshop, planned in September at OFID in Vienna may be a good opportunity to initiate a discussion on these recommendations, to better understand the challenges for providers and ways to improve their participation in a country-led monitoring process and develop proposals for areas to monitor in provider policies and practices, similar to the current indicator on transparency.

**c) Consideration of alternatives for indicator three on the private sector, including blended finance as possible entry point**

Both MAG members and several respondents to the consultations on indicator three have expressed concern about whether public/private sector dialogue (PPD) is the best entry point for assessing the effectiveness of the private sector in the context of development cooperation. The role of the private sector as a development actor is self-evidently important, particularly given expectations for the private sector in the implementation of *Agenda 2030*. While PPD may be relevant in relation to achieving broad development outcomes (i.e. the SDGs), the focus for the GPEDC is effective development cooperation.

Where the private sector does clearly interact with development cooperation is in blended finance. Blended finance may not be the only, or even the most important, means by which the private sector contributes to development, but it was seen to be more consistent with a focus on development cooperation.

In this context, the MAG is encouraging more exploration of options for indicator three, including the MAG proposals for revision of indicator three on PPD (forthcoming), but also blended finance as an alternative entry point, using the three criteria of relevance, efficiency and usefulness.

At HLM1 held in 2014 in Mexico, the Global Partnership “encourages the development of innovative public-private finance mechanisms that appropriately share investment risks, maximize economic, social and environmental development impact next to financial returns.” The MAG noted that blended finance is a critical resource for the SDGs and the future of *Agenda 2030*.

**In summary, the MAG is proposing:**

- i. **The Global Partnership mandate the JST to explore options for indicator three, post-Nairobi, including revisions to the current indicator focus on public/private dialogue (PPD), but also consider blended finance as an alternative entry point, in the context of GPEDC’s focus on development cooperation.** Given the relevance of the private sector to achieving the SDGs, the MAG encourages the Global Partnership/JST to engage in discussion of appropriate entry points for this indicator in the preparations for HLM2, as a backdrop for developing technical work on an appropriate indicator, post-Nairobi.
- ii. **The MAG will continue to refine its proposal for indicator three** based on private/public sector dialogue, integrating suggestions made in the recent MAG indicators consultations.

#### **d) Climate finance and the scope of the monitoring framework**

In Busan there was a commitment to deepen synergies between development and actions to address climate change, in which development effectiveness principles applies to both. The December 2015 Paris Agreement under the United Nations Framework Convention on Climate Change also emphasizes the importance of effectiveness in measure to support adaptation through international cooperation (Article 7).

While the MAG noted that the definition and provision of climate finance are unresolved global challenges, one area of climate finance that is clear is climate-related ODA, as determined by the DAC Rio Marker. It was also noted that some climate-related ODA is likely already included in provider ODA at the country level, from the developing country point of view there is often separate mechanisms for managing climate finance from related multilateral environment agreements.

**In summary, the MAG is proposing that**

- i. **Climate finance is a relevant area for applying the development effectiveness principles.** Climate finance is an important area for coverage for the GPEDC Monitoring Framework, while recognising the difficult issues remaining in clearly identifying the scope of (public) climate finance.
- ii. **The GPEDC monitoring framework is most relevant for climate finance that is clearly a**

**public financial resource, as profiled by the provider and recipient.** However, more work is needed to clarify an approach and the relevance of current and proposed revisions of the Monitoring Framework to climate finance in international cooperation. In this regard, the MAG looks forward to the outcomes of efforts along these lines by the OECD DAC ENVIRONET Policy Working Group. While it is not possible to disaggregate climate finance in indicator coverage in the current Monitoring Framework, the MAG suggests that the Framework be reviewed in future to ensure sufficient coverage of climate finance in the context of effective development cooperation.

#### **e) An indicator for multi-stakeholder initiatives**

A key principle of development effectiveness is inclusive development partnerships, “recognizing the different and complementary roles of all actors.” [Busan, §12] Under the means of implementation, SDG 17.16 emphasizes the importance of multi-stakeholder initiatives in achieving the SDGs. While the Global Partnership is itself a strong example of a multi-stakeholder partnership, a wealth of recent research suggests that multi-stakeholder initiatives are highly varied, take many different forms, and their success factors are often context-specific.

The MAG noted potential difficulties in identifying one indicator that can capture the diversity of multi-stakeholder initiatives within the framework of effective development cooperation. Equally not all development processes can be ‘reduced’ to their multi-stakeholder character. It is also important to sustain the Global Partnership’s focus on accountability for individual stakeholder commitments to change.

The MAG is proposing that the Global Partnership assess progress in multi-stakeholder processes by examining more systematically its own inclusive monitoring methodologies. Indicator seven on mutual accountability already asks questions, for example, on the degree to which all stakeholders are engaged in mutual accountability mechanisms.

#### **In summary, the MAG is proposing that,**

- i. **Existing indicators be examined** to see to what degree the Global Partnership can assess to what extent its own processes have been characterized by full multi-stakeholder engagement.
- ii. **Integrate a multi-stakeholder indicator in a future phase of the monitoring framework.** The MAG agrees that it would be useful to examine current research on multi-stakeholder initiatives to better understand whether a future monitoring framework might feasibly include indicator(s) for assessing the performance dimensions (success factors) of multi-stakeholder initiatives in the context of development cooperation.

**f) An indicator relating to a holistic, ‘whole of government,’ policy approach to implementing effective development cooperation for the SDGs**

The MAG noted the critical importance of a holistic approach to achieving *Agenda 2030* on the part of governments. Goal 17 calls for “enhanced policy coherence for sustainable development (§17.14). On the other hand, the MAG also took note of research that has indicated the difficulty of creating political incentives for policy coherence in the context of various forces interacting with government policy formation and implementation. These externalities create important impediments to change in development cooperation, according to the MAG’s implicit theory of change for the GPEDC.

None of the ten indicators adequately capture the importance of institutional means for enhancing a “whole-of-government” approach in the practices of effective development cooperation, whose aim is the realization of *Agenda 2030* as a package of inter-related goals.

**In summary, the MAG,**

- 1. Points to the importance of a holistic framework for sustainable development, which is derived from the comprehensive and universal Agenda 2030.** It is essential that this dimension of the SDGs be present in the GPEDC Monitoring Framework in order at least to initiate dialogue on the need for a cross sector purview and policy linkages.
- 2. Proposes that consideration be given to a sub-indicator for indicator seven (mutual accountability),** which tries to measure the breadth of the agenda in mechanisms for mutual accountability at the country level, and correspondingly which actors are invited to the table.



**Annex One**  
**MAG Implied Theory of Change (December 2015 version)**

