Guidelines for enhancing the engagement and contribution of parliaments to effective development cooperation
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Acknowledgements

This publication was prepared by the Inter-Parliamentary Union (IPU) and the Effectiveness Group of the Bureau for Policy and Programme Support (BPPS) of the United Nations Development Programme (UNDP). The Guidelines were drafted by a team comprising: Alessandro Motter, Alessandro Bozzini and François Beaulne of the IPU, Anna Whitson and Yuko Suzuki Naab of UNDP, under the strategic oversight of Margaret Thomas of UNDP and Alessandro Motter of the IPU.

The authoring team wishes to thank the colleagues whose expertise and inputs were integral to the development of these Guidelines, in particular Jonas Deusch, Piper Hart, Sarah McDuff of Effectiveness Group as well as Charles Chauvel and Jonas Olsen from Inclusive Process and Institutions Team. The publication also benefited from review by Sarah Lister of UNDP and Aleksandra Blagojevic of the IPU.

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The Guidelines in a nutshell

The 2030 Agenda for Sustainable Development ("the 2030 Agenda") and its 17 Sustainable Development Goals (SDGs) aim to ensure the fundamental rights of all people to a decent life, peace, and a healthy environment, including by eradicating poverty in all its forms and in securing the sustainability of the planet. Making this agenda a reality will require a dramatic increase in the volume of aid and investment in financing for development overall, as well as an increase in the quality of all resources available for development and the effectiveness of development partnerships.

Parliaments and parliamentarians are valuable partners in ensuring the accountable, inclusive, participatory, and transparent governance that is necessary to achieve sustainable development for all. Parliaments in both developed and developing countries have a crucial legislative, budgetary and oversight role to play in the overall implementation of the 2030 Agenda. Within this context, their role in development cooperation is crucial to ensuring that governments are accountable for the decisions that they make about how resources – including aid – are spent.

Despite the recognition of the significant role of parliaments, parliamentary oversight of development cooperation remains weak. Against this background, these Guidelines attempt to address the challenges and seeks to provide parliaments and parliamentarians and those who work with them with a common understanding and offer ideas on what they can do to promote more effective and accountable use of aid in particular and of resources for development in general. In particular, this note introduces parliamentarians and parliamentary staff to:

- The basic concept, main elements, and key commitments of effective development cooperation, in all its forms, public and private, financial and non-financial, international and domestic.
- The “architecture” of effective development cooperation, including the main delivery modalities, actors involved, and coordination structures at the global and country levels.
- Concrete ways in which they can contribute to development cooperation and engage with effective development cooperation and global forums such as the Global Partnership for Effective Development Cooperation (GPEDC).
- Actions that can be taken by parliamentarians to ensure resources and partnerships are used in the most effective way possible, to contribute to increased development impact.
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<table>
<thead>
<tr>
<th>Acronym</th>
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<tbody>
<tr>
<td>2030 Agenda</td>
<td>2030 Agenda for Sustainable Development</td>
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<tr>
<td>AAAA</td>
<td>Addis Ababa Action Agenda</td>
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<td>ATI</td>
<td>Addis Tax Initiative</td>
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<tr>
<td>AWEPA</td>
<td>Association of European Parliamentarians for Africa (extinct)</td>
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<tr>
<td>BEPS</td>
<td>Base Erosion and Profit Shifting</td>
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<td>BPSS</td>
<td>Bureau for Policy and Programme Support (UNDP)</td>
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<td>CDDE</td>
<td>Capacity Development for Development Effectiveness</td>
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<td>CPA</td>
<td>Country Programmable Aid</td>
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<td>CSOs</td>
<td>Civil society organizations</td>
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<td>DAC</td>
<td>Development Assistance Committee (OECD)</td>
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<td>DRM</td>
<td>Domestic resource mobilization</td>
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<td>EITI</td>
<td>Extractive Industries Transparency Initiative</td>
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<tr>
<td>EURODAD</td>
<td>European Network on Debt and Development</td>
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<td>GNI</td>
<td>Gross National Income</td>
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<td>GOPAC</td>
<td>Global Organization of Parliamentarians Against Corruption</td>
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<td>GPEDC</td>
<td>Global Partnership for Effective Development Co-operation</td>
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<td>DRM</td>
<td>Domestic resource mobilization</td>
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<td>IDB</td>
<td>Islamic Development Bank</td>
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<td>IFFs</td>
<td>Illicit financial flows</td>
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<td>JAS</td>
<td>Joint Assistance Strategies</td>
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<td>LDCs</td>
<td>Least developed countries</td>
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<td>IATI</td>
<td>International Aid Transparency Initiative</td>
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<td>IPU</td>
<td>Inter-Parliamentary Union</td>
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<td>ITC</td>
<td>International Tax Compact</td>
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<td>MA</td>
<td>Mutual accountability</td>
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<td>NDCP</td>
<td>National Development Cooperation Policy (a.k.a “aid policy”)</td>
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<td>ODA</td>
<td>Official Development Assistance</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>ODI</td>
<td>Overseas Development Institute</td>
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<td>PAF</td>
<td>Performance Assessment Framework</td>
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<td>PPPs</td>
<td>Public-private partnerships</td>
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<td>Private sector engagement</td>
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<td>SDGs</td>
<td>Sustainable Development Goals</td>
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<td>SIDS</td>
<td>Small island developing States</td>
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<td>TOSSD</td>
<td>Total Official Support for Sustainable Development</td>
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<td>UN DCF</td>
<td>UN Development Cooperation Forum</td>
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<td>UNDESA</td>
<td>United Nations Department of Economic and Social Affairs</td>
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<td>UNDP</td>
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I. Introduction: Understanding the problem

The 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs), adopted by United Nations Member States in 2015, aim to ensure the fundamental rights of all people to a decent life, peace, and a healthy environment, including by eradicating poverty in all its forms and in securing the sustainability of the planet. Making this agenda a reality will require a dramatic increase in the volume of aid and investment in financing for development overall, as well as an increase in the quality of all resources available for development through more effective development partnerships to deliver better results.

SDG 17 in particular seeks to strengthen the 2030 Agenda’s so-called “means of implementation” and revitalize the global partnership for sustainable development, calling for, among other things, a strengthening of multi-stakeholder partnerships for development, a fulfilment of official development assistance (ODA) commitments, and the mobilization of additional public and private financial resources to meet the ambitious SDGs.

At the same time, the national development cooperation landscape is evolving and diversifying rapidly, with many countries experiencing a shift in flows as domestic public and private resources increase, and the sources of external resources diversify. As such, development planning and implementation will also need to evolve from a whole-of-government to a whole-of-society approach, bringing in new and emerging partners with diverse comparative advantages to ensure maximum development impact.

In this rapidly-evolving landscape, parliaments and parliamentarians are valuable partners in ensuring the accountable, inclusive, participatory, and transparent governance that is necessary to achieve sustainable development for all. Parliaments in both developed and developing countries have a crucial legislative and oversight role to play in this process, and in the overall implementation of the 2030 Agenda. Their role in development cooperation is crucial to ensuring that governments are accountable for the decisions that they make about how resources – including aid – are spent.
Despite the recognition of the significant role of parliaments in development as well as the improvements they made in this context over the years, evidence shows that parliamentary oversight of development cooperation remains weak in both developed and developing countries, and that the scope parliaments actually have to play in this role varies widely.¹ For instance, some parliaments have a plethora of resources and an existing legal framework that supports their legislative, budgetary and oversight role. However, many other parliaments, especially in developing countries, lack resources or power to play an effective role in promoting development or the more effective use of aid and other development resources. In addition, parliamentarians do not all share the same level of knowledge on these issues, and there is no consensus among parliamentarians or across countries on the ways and means by which they can enhance oversight of development policies and resources.

As such, these Guidelines attempt to address some of these challenges and seek to provide parliamentarians and those who work with them with a common understanding and offer ideas on what they can do to promote more effective and accountable use of aid in particular and of resources for development in general. It is especially relevant for countries where aid constitutes a significant share of total development resources, and where parliaments and parliamentarians must be involved in the discussion on aid and development cooperation resources and their appropriation as part of their role in promoting good governance and accountability.

The present note updates a previous 2010 version to better reflect important changes to the development cooperation landscape, especially since the agreement of the 2030 Agenda in 2015. The note is meant to be relevant to parliaments in all countries, going beyond traditional “donor” or “recipient” categories, with a focus on the catalytic role of development cooperation to attract other flows of development finance, including from the private sector.

¹ Evidence of weak parliamentary oversight of development cooperation and related development planning processes, including the national budget, can be garnered from a variety of sources, including the results of the GPEDC 2019 monitoring exercise (particularly Indicator 6, on aid subject to parliamentary oversight discussed later in the Guidelines), the results of the IPU survey of the parliaments of countries participating in the UN’s Voluntary National Reviews, as well as the regular surveys performed by the International Budget Partnership (https://www.internationalbudget.org/open-budget-survey/).
II. The current context of development cooperation

Development cooperation is an extension of what for a long time has simply been referred to as “aid”, that is, support that developed countries offer to developing countries in a variety of forms, financial and non-financial, both from public and private sources. Traditional aid has a long history dating back at least to the post-war period and grew in importance as a large group of developing countries came into being as a result of decolonization.

Over time, as development needs evolved, development cooperation became more sophisticated partly as a result of globalization and as questions of aid dependence emerged, and both donors and recipients began to question aid’s actual ability to deliver long-lasting, cost-effective development results. A new thinking emerged that placed aid in a larger context of relationships between a number of governmental, non-governmental and private sector actors working in partnership with one another. The language of “donor” and “recipient” countries gave way to a language of partnerships and development cooperation. At the same time, aid’s relatively narrow focus on poverty eradication expanded to cover many other issues which today include new challenges such as climate change. This evolution has also been reflected in the 2030 Agenda.

II.1 The 2030 Agenda and the need for more resources for development

At the heart of the modern development agenda – the 2030 Agenda agreed by the international community in 2015 – are the 17 Sustainable Development Goals (SDGs) and their 169 targets, which cover the three dimensions of sustainable development: economic growth, social inclusion, and environmental protection. This ambitious agenda calls for more capacities and financial resources to be generated anew or to be reallocated to improve development results. A core feature of the SDGs is their strong focus on means of implementation: the mobilization of financial resources, capacity building, multi-stakeholder partnerships, and technology to support the quicker and more effective achievement of development aims.
Box 1
What are the Sustainable Development Goals (SDGs)?

The SDGs are universal, apply to both developed and developing countries, and combine traditional sustainable development questions with emerging issues such as inequality and climate change. The SDGs are intended to focus and coordinate national (and international) policies toward a common vision for human development and while they are not legally binding, by endorsing the SDGs, governments and their partners assume a commitment to implement these goals to the best of their capacity and in accordance with nationally-defined goals. The SDGs themselves underscore the linkages between the goals, reinforcing the fact that poverty cannot be defeated in isolation from other sustainable development issues, and that all development efforts must be underscored by strong and innovative partnerships.

- **Goal 1.** End poverty in all its forms everywhere
- **Goal 2.** End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- **Goal 3.** Ensure healthy lives and promote well-being for all at all ages
- **Goal 4.** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- **Goal 5.** Achieve gender equality and empower all women and girls
- **Goal 6.** Ensure availability and sustainable management of water and sanitation for all
- **Goal 7.** Ensure access to affordable, reliable, sustainable and modern energy for all
- **Goal 8.** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- **Goal 9.** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- **Goal 10.** Reduce inequality within and among countries
- **Goal 11.** Make cities and human settlements inclusive, safe, resilient and sustainable
- **Goal 12.** Ensure sustainable consumption and production patterns
- **Goal 13.** Take urgent action to combat climate change and its impacts
- **Goal 14.** Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- **Goal 15.** Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- **Goal 16.** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- **Goal 17.** Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development
The 2030 Agenda emerged from more than three years of open and inclusive consultations that included parliamentarians from the outset, recognizing that their buy-in was critical to the future implementation of the SDGs. In enacting legislation, adopting national budgets, and overseeing the implementation of national and international commitments, parliaments play an essential role in maintaining domestic accountability over national development efforts. This is recognized in paragraph 45 of the 2030 Agenda where parliaments are identified as crucial to achieving the SDGs and are explicitly called upon to conduct regular and inclusive reviews of progress made on SDG implementation.

Financing this ambitious agenda is an enormous undertaking, with a funding gap estimated at US$ 2.5 trillion per year in developing countries alone. Substantial financial resources from both domestic and international sources need to be mobilized and attention has turned to how to make this happen. It is clear that aid alone will not suffice to address this enormous need, and that new resources can be generated by growing the economies of developing countries and bringing in emerging partners to harness their contributions toward realizing the SDGs and national development priorities.

While parliamentarians have a responsibility to support and monitor implementation of all 17 SDGs, they should pay special attention to SDG 17, the so-called “means of implementation” (financial resources, capacity building, technology, as well as data and institutions) that need to be mobilized to support the implementation of the entire SDG framework. SDG 17 recognizes that development finance is not limited to “aid” but must take a broader approach to ensuring that efforts are sustainable, and nationally-driven and owned.

In this vein, the Addis Ababa Action Agenda (AAAA) on financing for development adopted in 2015, seeks to mobilize and align various financing flows and policies with economic, social, and environmental priorities. It includes policy recommendations that each country is supposed to carry out on their own and in concert with others, on a large spectrum of issues (foreign direct investments, trade, debt, global financial stability, etc.).

**Box 2**

**Engaging with Sustainable Development Goals: Where to learn more?**

The IPU and UNDP co-authored a self-assessment toolkit that parliaments can use to assess their own readiness to engage with the SDGs. The toolkit can help parliamentarians to identify additional strategies, mechanisms, and partnerships to help them support implementation of the SDGs more effectively. (Access Parliaments and the Sustainable Development Goals: A self-assessment toolkit here.)

### II.2 The transition from aid to “beyond aid” as an approach to development cooperation

Since its beginnings in the post-war period, the idea of international cooperation has evolved considerably: from the original concept of government “aid” to countries facing basic needs such as nutrition, education, health, and infrastructure, to a more complex web of interactions involving multiple actors and different forms and modalities of assistance. While Official Development Assistance or “ODA” often commonly understood as “foreign aid”, remains a crucial element of development finance for countries most in need, including least developed countries (LDCs), small island developing States (SIDS), and countries in situations of conflict and fragility, its role is relatively less important in those countries with a greater capacity for domestic resource mobilization (i.e. taxes) and other sources of public and private investment.

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2 See: https://worldinvestmentforum.unctad.org/financing-for-the-sdgs/.
Development cooperation has thus evolved over the years: from being centred on ODA that developed countries’ governments and multilateral institutions provided to developing countries to support state services, to development cooperation that includes private sources of aid (foundations, NGOs, private sector flows) and the different uses of aid to catalyse other sources of development finance and assistance. For example, blended finance, that is defined as the use of public funds to de-risk or “leverage” private investments for development, is increasingly presented as a way of putting the power of capital to work on development issues in developing countries or emerging markets. Additionally, domestic resource mobilization (i.e. taxes) is increasingly considered relevant to development cooperation because of partners’ growing use of assistance to strengthen tax collection systems in developing countries.

In addition, the development landscape is increasingly moving away from a lateral “aid” relationship, and toward “development cooperation” between partners that is more cooperative and less hierarchical, thus going beyond the traditional concepts of “donor” and “recipient.” Development cooperation also recognizes the increasing importance of “non-traditional” partners, including Southern partners, civil society, the private sector, and others, recognizing that all stakeholders have unique and important contributions to make to sustainable development efforts. Further, development cooperation cuts across several modalities including provision of financial resources, capacity-building, technology development and transfer, policy change, and multi-stakeholder partnerships. In essence, development cooperation entails some sort of assistance (financial or non-financial) that development partners (public or private) provide to developing countries.

This modernizing, deepening, and broadening of “development cooperation” and the delivery of aid has been a continuous effort, marked by and reflected in a number of notable events, including the high-level forums on aid effectiveness held in Rome, Paris, Accra and Busan in 2003, 2005, 2008, and 2011 respectively, as well as two high-level meetings of the Global Partnership for Effective Development Cooperation, discussed in depth in section VI.

**II.3 The critical need to make development cooperation more effective**

The year 2020 marks the beginning of a decisive decade for achieving the 2030 Agenda. The effectiveness of development cooperation is an important pillar to make this “decade of action” a reality. Effective development cooperation is critical to these efforts as it helps ensure all partners involved in development work better together to ensure the maximum impact of their cooperation, development finance, and other resources for the achievement of the SDGs and nationally defined development objectives.

In practice, effective development cooperation requires that, under the leadership of partner country governments, bilateral and multilateral donors, business, civil society organizations, foundations, and other stakeholders work together to ensure funding, technical assistance, and other resources produce maximum impact for development. Effective development cooperation also aims to help developing countries better plan their own development, setting priorities and organizing resources accordingly.
The core principles of effective development cooperation, agreed by the international community in Busan (see Box 3), guide all partners’ actions in maximizing the effectiveness of their cooperation. These core principles include:

- **Ownership of the development agenda by developing countries**: development efforts, including establishing priorities and implementation approaches, should be led by developing countries and tailored to their needs.
- **A focus on results**: development cooperation should have a tangible impact on eradicating poverty, reducing inequality, and promoting sustainable development.
- **Inclusive development partnerships**: going beyond the traditional donor-recipient relationship, development actors should forge multi-stakeholder partnerships based on openness, trust, and mutual respect and learning.
- **Transparency and mutual accountability**: development partners should hold one another accountable for their commitments and at the same time be accountable to beneficiaries, citizens, and shareholders. Transparency of development actions is key to enhance such accountability.

**Box 4**
**From aid effectiveness to effective development cooperation**

In 2011, more than three thousand delegates from 161 countries, 56 organizations, as well as representatives from international and civil society organizations, businesses, and foundations convened at the Fourth High-Level Forum on Aid Effectiveness in Busan, Korea, to take stock of advances in improving the delivery of aid as one of the pillars of how to finance international development. Busan also marked the beginning of a re-think of development cooperation that centred on more and **better quality aid**. It sought to expand what was known until then as the Paris “aid effectiveness agenda” to a more complex agenda for “effective development cooperation” in which all forms of cooperation – public and private, financial and non-financial –would be utilized not just to support government programmes in developing countries, but also to catalyse other flows of development finance, including from the private sector.
Parliaments and parliamentarians have a crucial role to play in ensuring development cooperation is effectively delivered and utilized to maximize sustainable development impact, guided by the principles of effective development cooperation. They play an essential role in improving their country’s ability to lead and assume full ownership of national development policies and programmes. In addition, in the context of diversity in development cooperation, parliamentarians’ oversight role is critical in ensuring that use of development cooperation leads to lasting sustainable development impact for people and societies.

Here is an outline of the sections that follow:

- How development cooperation works in practice (Section III)
- What roles parliaments should play in improving the effectiveness of development cooperation (Section IV)
- Understanding development cooperation beyond ODA (Section V)
- How parliaments can turn this knowledge into more effective development cooperation (Section VI)
- What opportunities exist for strengthening parliamentarians’ role in development effectiveness (Section VII).

In practice, effective development cooperation supports countries and their partners to:

- Better monitor the results of all development cooperation resources.
- Ensure development partners align their assistance with national priorities and plans.
- Avoid duplication of efforts through better coordination.
- Foster new partnerships (inter-governmental or multi-stakeholder) to boost development impact.
- Strengthen the effectiveness of development planning, coordination, and execution, as well as accountability mechanisms to utilize a diverse range of resources efficiently.
- Assess the effectiveness of development partners’ own policies and programmes.
- Promote consistency and coherence of development-related policies across various government departments and policy areas.
III. Official Development Assistance (ODA) as a foundational pillar of development cooperation

Official Development Assistance or “ODA” continues to represent a crucial source of development cooperation for many developing countries. Even with a lower relative weight in the overall financing picture than in past decades, ODA provides a strong gauge of the efforts “traditional” donor countries make to support development and remains an important component of international financing for development, particularly for the poorest countries.\(^3\) The role of ODA in support of the national sustainable development agenda also varies across country contexts, ranging from contributing to a significant share of governments’ expenditures to being used as a catalytic force to leverage other development flows and to helping development resources to be used in “smarter” ways.

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\(^3\) The DAC list of countries eligible to receive ODA is updated every three years and is based on per capita income. ODA data is collected, verified and made publicly available by the OECD at [http://oe.cd/fsd-data](http://oe.cd/fsd-data).
Donor countries are most commonly compared by the amount of Official Development Assistance given as a per cent of their own Gross National Income (GNI). However, traditionally, only a handful of OECD-DAC countries (30 in all) meet their collectively agreed target of spending 0.7 per cent of GNI on ODA (Denmark, Germany, Luxembourg, Norway, Sweden, and United Kingdom in 2017)\(^4\), and 18 are less than halfway to the target. DAC data also shows that considerable amounts of aid are allocated to relatively few countries (“aid darlings”) at the expense of others (“aid orphans”). This is because individual donors decide separately which country programmes to assist and to what extent, based on their unique set of values, goals, and criteria, shaped by specific contexts and historical relationships.

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**Box 5**

**What is Official Development Assistance (ODA)?**

ODA is defined by the Organisation for Economic Co-operation and Development (OECD)’s Development Assistance Committee (DAC) as government aid that promotes and specifically targets the economic development and welfare of developing countries. To be considered ODA, financing must have a “concessional” component, taking the form of grants, where financial resources are provided to developing countries free of interest and with no provision for repayment, or loans, which have to be repaid with interest (albeit at a significantly lower rate than if developing countries borrowed from commercial banks). Funds that are primarily considered military aid or promotion of donors’ security interests, or transactions that have a primarily commercial objective (e.g. export credits) are not considered ODA.

Note: The latest data on top aid recipients and on aid distribution by income level, region and sector can be found at: www.oecd.org/dac/stats/aid-at-a-glance.htm. Data is also available for the most “aid-dependent countries” as defined by the World Bank (see: https://data.worldbank.org/DT/ODA.ODAT.GN.ZS).

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Donor countries are most commonly compared by the amount of Official Development Assistance given as a per cent of their own Gross National Income (GNI). However, traditionally, only a handful of OECD-DAC countries (30 in all) meet their collectively agreed target of spending 0.7 per cent of GNI on ODA (Denmark, Germany, Luxembourg, Norway, Sweden, and United Kingdom in 2017)\(^4\), and 18 are less than halfway to the target. DAC data also shows that considerable amounts of aid are allocated to relatively few countries (“aid darlings”) at the expense of others (“aid orphans”). This is because individual donors decide separately which country programmes to assist and to what extent, based on their unique set of values, goals, and criteria, shaped by specific contexts and historical relationships.

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**ODA terminology and types**

- **Bilateral aid**: assistance given by a government directly to the government of another country.
- **Multilateral aid**: assistance provided to international organizations like the United Nations and its specialized agencies, the World Bank, and others, often by bilateral donors, that goes to support developing countries.
- **Project aid**: funds that are used to finance a specific project or programme, for instance the building of a school or the financing of the education sector. Project aid can either support a government to implement a sector policy and improve service delivery, or can be designed as a standalone project, for example to support civil society or the private sector. Project-related ODA is less preferable than budget support because donors tend to retain control of the project’s financing, and it creates the possibility of redundant projects and processes by multiple donors.
- **Budget support**: transfer of funds to a partner country’s general budget or linked to a specific sector like health or education, which is un-earmarked and leaves it to the developing country to decide how to spend the assistance received. Budget support is traditionally considered the preferable means of delivery as it tends to strengthen country ownership, promote transparent public finances, generally involves less overhead, and avoids potential duplication with project aid.
- **Country Programmable Aid (CPA)**: the portion of aid that donors’ programme at country or regional level and over which partner countries could have a significant say. A concept developed in 2007, CPA is often considered to capture closer aid that goes to partner countries than the concept of ODA.\(^5\)
- **Tied aid**: assistance provided on the condition that it be used to procure goods or services from companies or institutions located in the donor country. This can be formal, when the recipient is contractually required to spend aid funds only on goods and services from the donor country, but ties can also be informal, when for example a traditional trade relationship (as between a country and its former colonies) give a donor country a preferential treatment. Tied aid is generally considered detrimental to the effectiveness of ODA as it increases the cost of assistance.

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4 While it is good that these countries are meeting the target, this is mitigated in a few cases by the degree to which their aid is tied. Also, some countries have only managed to hit the target due to an increase of in-country refugee costs that count towards ODA.

Furthermore, in order to better represent the full array of official external support available for sustainable development, a new statistical framework, called the Total Official Support for Sustainable Development (TOSSD) is being developed to capture official resources and private finance mobilized by official interventions in support of sustainable development (see Box 6).

**Box 6**

**Beyond ODA: Total Official Support for Sustainable Development (TOSSD)**

While the 2030 Agenda calls for mobilizing more resources in support of sustainable development, including by the private sector, there is currently no comprehensive framework to capture the totality of official support, either financial or in-kind, towards the sustainable development of developing countries. Attempting to overcome this challenge, TOSSD is a new statistical measurement framework, currently being developed by an international task force of experts.

The primary objective of TOSSD is greater transparency about the full array of officially-supported resources provided in support of the 2030 Agenda, including concessional and non-concessional bilateral finance, private philanthropy –flows from foundations and NGOs, and resources from providers of increasing importance such as South-South Cooperation, private actors, development finance institutions, and others. TOSSD is not supposed to side-line ODA but complement it by increasing transparency and monitoring new trends that are shaping the development finance landscape. This said, civil society organizations have expressed concerns that TOSSD might undermine aid targets and commitments, fail to enhance transparency for recipients, or focus on inputs rather than on development outcomes.

To ensure that the new TOSSD measure being developed does not mislead information or diminish the important role of ODA, parliamentarians should actively engage in debates around the new TOSSD measurement.

Beyond the *quantity* of ODA, the international community has been placing an equal emphasis on the *quality* of aid and other types of development cooperation. The Commitment to Development Index is one such measure that ranks the largest donors on a broad range of their development friendly policies. It takes into an account the quality of aid, in addition to the quantity, penalizing countries for tied aid. In addition, the Global Partnership for Development Cooperation’s biennial monitoring results, discussed in detail in Section VI, also provide a solid basis for understanding progress made on implementing effectiveness of commitments by capturing behaviour change and focusing on how stakeholders partner at the country level.

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6 For more details and the latest information on TOSSD, see: [http://oe.cd/tossd](http://oe.cd/tossd).
7 See: [https://www.cgdev.org/cdi-methodology](https://www.cgdev.org/cdi-methodology).
IV. Improving the effectiveness of ODA and development cooperation

In enacting legislation and overseeing budgets, parliaments have an important role to play in ensuring ODA and other development resources are allocated and spent in ways that respond to the priorities of people and societies. However, the fact that development cooperation is increasingly channelled from and to actors outside of the public sector and through an increasing number of modalities and instruments poses a challenge to parliamentarians in effectively exercising this role.

The share of development cooperation recorded on budget so that it can be subject to parliamentary oversight fell from 66 per cent in 2016 to 61 per cent in 2018.9 This may be in part because less cooperation is being disbursed to the public sector overall as development partners channel more aid directly to implementing partners. In addition, decreasing availability of forward-looking information on development cooperation is mirrored in partner country budgets. This trend puts at risk the ability of partner countries to effectively plan and budget for their development efforts, and limits accountability over national development efforts maintained through parliamentary oversight.

To ensure that ODA and development resources have the greatest sustainable development impact, parliamentary engagement is important throughout the policy-making, implementation and monitoring processes. At the same time, parliamentarians particularly in many developing countries face challenges in exercising their oversight role due to a variety of obstacles, including:

• Existing legal frameworks may not provide parliamentarians adequate powers to influence the policy process.
• Parliaments may not have adequate capacity or resources to play their role effectively, for example, if the parliamentary Secretariat does not have an independent budget or staff.
• Parliamentarians are excluded from discussions about how development cooperation should be managed and spent.
• There may be more incentives for members of parliament to deliver development to specific communities they represent.

To fulfil their oversight role over development cooperation, parliamentarians require a strong understanding of development planning and budgeting processes, as well as in-country development cooperation arrangements. This allows them to scrutinize and advise on national development strategies, development cooperation policies, budget bills, and laws and regulations around specific funding sources. Parliamentarians can make a concerted effort to engage with other partners within government-led policy dialogue and coordination structures as well as outside such structures, if institutionalized engagement is not enabled already.

IV.1 National sustainable development strategies and development planning processes as an entry point for parliamentary engagement

Accountability of development cooperation to people and societies is strengthened when parliaments and parliamentarians ensure that national priorities effectively inform all development policies and plans. Accordingly, countries are placing an increasing emphasis on the importance of a national sustainable development strategy and the quality of the development planning process. Since 2011, the proportion of partner countries with a high-quality development strategy in place has almost doubled, and the SDGs are increasingly embedded in these development strategies.

However, the oversight role exercised by parliaments over such strategies is lagging. The national development strategy is submitted to the parliament for a vote in only 30 per cent of partner countries, according to the 2019 monitoring survey of the Global Partnership. In addition, parliaments often lack the independence, knowledge, or resources to engage and speak on behalf of the poor and marginalized groups in these development planning processes. At the same time, development partners may not be providing adequate support to strengthen parliament’s capacities to effectively engage in development planning processes.

Additionally, partner country governments are placing increasing attention on strengthening inter-ministerial coordination mechanisms to facilitate cross-sectoral SDG-based planning. Such coordination mechanisms aim to bring together cross-sectoral actions and to strengthen shared accountability across different ministries, agencies, levels of government and non-governmental stakeholders. Yet, parliaments are often not fully involved in all stages of national development planning and relevant national and sector dialogue structures.

Box 7
Integrating SDG implementation in Pakistan: To facilitate integration and coherence for SDG implementation, the government has created the SDG Secretariat within Parliament.

What can parliaments and members of parliament do?

- Advocate for a dramatic scaling up of development cooperation to strengthen parliament’s capacities to engage in national development planning processes by ensuring that parliaments are well equipped with the knowledge, analysis, and resources to review these processes and speak on behalf of people and societies, particularly the poor and other marginalized groups.
- Proactively assess their own capacity to engage in development planning processes in consultation with representatives of partner country governments. This may involve exploring the establishment of specific parliamentary secretariats on issues related to development and/or development cooperation. Key questions to consider in such self-assessments are: whether there is an enabling legal environment that supports the role of parliaments in development and development cooperation; whether adequate financial and human resources, such as research and support staff, are available to support parliamentarians to undertake quality data and policy analysis; and whether parliaments have sufficient space to review and debate development strategies and plans.
- Foster peer-learning among MPs through study groups on relevant topics and/or collaborate with other development stakeholders to increase awareness of issues and familiarize themselves with policy and programme options, alternatives, and potential impacts.

What can country governments and development partners do?

- Systematically engage members of parliament in each step of national development processes, including national and sector dialogue and coordination mechanisms that bring various stakeholders into development planning. This regular exposure to development planning can help ensure that parliamentarians are well versed in national development priorities and implementation plans and are therefore better equipped to hold stakeholders accountable for their commitments and actions.
- Explore collecting information on development cooperation and technical assistance in support of parliaments and use such information to inform global reviews of development cooperation.
IV.2 National development cooperation policy as an instrument for strengthened accountability of ODA and development cooperation

An important component of national development policies is the National Development Cooperation Policy (NDCP, sometimes known as “aid policy”), particularly in countries where development cooperation accounts for a significant share of development resources or in countries where development cooperation is expected to play an important catalytic role in support of the national sustainable development agenda.

An NDCP is a strategic document that establishes the overall framework for what, where, and how a country uses development cooperation, and for what results it aims to achieve. It defines a country's vision, priorities, commitments and activities related to international development cooperation. As such it also helps guide providers' allocation decisions on ODA and other concessional finance. Increasingly, NDCPs cover a broader scope of resources, beyond ODA, which underscores the importance of coordinating with other areas of development finance.

NDCPs can either be stand-alone documents or part of a national action / development plan. Well-structured policies spell out the principles and objectives of development cooperation, the different roles and responsibilities of the various parties involved, required decision-making processes, and how implementation is to be monitored. NDCPs must be linked to the country's development strategies and plans (see Box 8).

The drafting of an NDCP is government-led but should bring together all development stakeholders to strengthen accountability of development cooperation to deliver results in support of the national sustainable development agenda. Political will, high-level leadership and multi-stakeholder participation are key to ensure that the NDCP is properly designed and monitored. This underscores the importance for parliaments and parliamentarians to deepen their engagement in the NDCP process.

What can parliaments do?

- Advocate for an NDCP in countries receiving any kind of development cooperation, and advocate for their own role in overseeing and approving the NDCP which is crucial in upholding parliaments’ oversight role over development cooperation.
- Demand that the production of the NDCP is a more meaningful and participatory process. In practice, this means engagement should be a process that is adequately planned, appropriately timed, and well-communicated, and that brings diverse stakeholders together in a way that builds trust and common understanding among participants.
- Advocate that the NDCP process is used as an opportunity to “domesticate” global development cooperation principles and commitments with specific implementation targets clearly outlined.12

Box 8 National Development Cooperation Policies (NDPCs)

The 2019 Report of the Inter-Agency Task Force on Financing for Development highlighted the following key lessons learned from countries adopting NDPCs:

- Political will and leadership at the highest level is critical.
- Participation in the design, implementation, and monitoring of the NDCP must be inclusive of all stakeholders and must be transparent.
- Clear performance targets must be set out.
- An effective monitoring and evaluation system increases accessibility and transparency of information to the public and enables countries to make improvements based on emerging evidence.
- Capacity gaps have proven to be a key bottleneck in implementing successful NDCP processes.

IV.3 The national budget as a primary tool for improving effectiveness and accountability of development cooperation

The national budget that parliaments must adopt annually is the primary funding instrument for countries to direct resources towards implementation of national priorities and to advance toward the SDGs. The objective of parliament’s engagement in the budget process is to consider whether it delivers on development cooperation commitments, responds to nationally owned priorities, and ensures value-for-money.

Although the executive branch is formally responsible for developing the budget, parliamentarians can advocate for budget priorities in advance of (and sometimes even during) the budget preparation process. In some countries, they can also propose formal amendments to the budget once it has been tabled in the parliament.

Parliamentarians need to actively engage in all stages of the budget cycle in order to ensure that public revenues are allocated and spent appropriately. At a minimum, this requires: providing recommendations for the budget formulation; performing an in-depth review of the government’s budget proposal; and overseeing the budget’s execution by auditing the government’s accounts (revenues and expenditures).

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The budget cycle in a nutshell

Though the process may look different according to country context, generally parliaments can play a role in all the main phases of the budget cycle:

- **Budget formulation:** Parliamentarians should seek to engage in dialogue around the budget process from its inception, which means understanding the specific budget process and engaging in dialogue with the executive early on. While the government is working on the formulation of the budget, parliaments should develop their own recommendations (including at the sectoral level) on the basis of input received from experts, the public and interest groups.

- **Budget consideration and approval:** Parliamentarians should seek to ensure ODA and other flows of development cooperation are included in national budgets to have a full picture of what resources are being allocated to which priorities. Additionally, partner country governments can work to ensure that all development cooperation, including cooperation that is not using national budget execution procedures and that does not flow through the national treasury, is included in budget documentation that is subject to parliamentary scrutiny.

- **Oversight of budget implementation:** Parliament and its standing committees monitor budget execution, including, for example, through questions to ministers and observation field missions. In most parliaments, budget oversight is undertaken

### Box 9

**Parliamentary engagement in the NDCP (or “aid policy”)**

In 2015, the Inter-Parliamentary Union (IPU) developed a guidance note for development cooperation practitioners, including parliamentarians, aiming to make all stakeholders better advocates for the adoption or improvement of national aid policies and equipping them with the skills to better participate in their design, implementation, and monitoring.

The note draws on a detailed review of 26 national aid policies and, among other things, identifies the steps to prepare an NDCP in a participatory way. Among other things, the note underscores the importance of parliamentarians participating in government-led dialogue structures for the design, update and review of an NDCP. This participation should not be in a personal capacity but on behalf of the relevant parliamentary committee which needs to be informed of the work taking place. The same committee needs to ask the government for a regular progress report on the implementation of the NDCP.

by specialized parliamentary committees which play a critical role but are commonly under-resourced. In order to effectively engage in all phases of the budget cycle, a parliament needs the support of an independent parliamentary budget office or at least a budget unit within the parliamentary secretariat. Such an office can provide a more critical, expert evaluation of different modalities of development cooperation.

- **Budget audit:** Parliament, in conjunction with a supreme audit institution, audits government revenues and expenditures for the previous year, identifying weaknesses and recommending changes. In carrying out such exercises, parliaments usually look at value-for-money, that is, the optimal use of resources to achieve the intended outcomes. This can be assessed through criteria such as economy (minimizing the cost of resources used), efficiency (the relationship between the outputs and the resources used to produce them), effectiveness (the relationship between intended and actual results), and equity (whether outcomes benefit all people, including the most vulnerable and marginalized).

As previously mentioned, the proportion of development cooperation that is subject to parliamentary scrutiny has decreased since 2016. This calls for specific attention to ensure that all development cooperation that is channelled to the public sector is recorded in national budgets. To this end, donor country parliaments should commit to take necessary actions to address reasons behind this decreased share of development cooperation, and look to increase the amount of ODA to budgets that are subject to parliamentary scrutiny.

Further, governments and parliaments can help increase the share of development cooperation which is “on plan” and “on budget” by improving the quality of their aid management and of their public financial management systems. The better the management systems of a country work, the more partners can be pressed to channel their cooperation through those systems.

### IV.4 Investing in monitoring the implementation and impact of development strategies

Parliaments are responsible for holding the government to account for how it spends public money and what results it achieves. As such, parliaments are usually endowed with strong powers of inquiry, interrogation, and oversight. The scope and effectiveness of these powers may vary greatly. However, all parliamentarians should be able to initiate parliamentary inquiries, ask written and oral questions of ministers, demand information and documents from the government, and hold public hearings related to development policies, programmes, and development cooperation.

Parliaments can help place greater focus on monitoring the impact of aid and other development resources by demanding fuller financial reporting and better financial information from both government and development partners or by calling for access to regular and timely progress reports on the implementation of plans and budgets, linked to results. Monitoring the impact of aid and other resources involves examining a wide number of factors, including policy, actual expenditure against original allocations and value-for-money. For example, in the education sector, this might mean looking at levels of enrolment and attendance against school investments. In such a case, while the ministry of education may have primary responsibility for producing relevant monitoring reports, including statistics demonstrating impact, parliamentarians can call on government ministers to table such monitoring reports in the legislature so that they can be publicly available for review and discussion.

At the same time, while many country governments report regularly on implementation of their national development strategies, most lack national statistical capacity to comprehensively monitor implementation. The majority of partner country governments with a national development strategy (89%) report on progress, and of these, most (85%) report progress regularly, i.e. at least every two years. However, reporting on progress is often based on incomplete information: only 35 per cent of partner country governments stated that timely, regular and accurate government data are available for all or most indicators in their results framework. This indicates a notable disconnect between planning and implementation of strategies which can be remedied at least in part with greater investments in national statistical capacities.

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What can parliaments and parliamentarians do?

- Ensure that there is a legal obligation for the executive to report annually to parliament on development issues, as is the case already in many developing countries. Ideally, these annual reports should be timed so that they feed into parliamentary discussions of the following year’s budget to ensure that parliamentary monitoring also has budget implications for government spending and that policy and spending decisions are better harmonized.

- Collaborate with other oversight institutions such as a supreme audit institution, a national human rights institution, a national anti-corruption commission, an environmental commissioner, an ombudsman office, an advisory council on the status of women among others, to strengthen their oversight role and become involved in dialogue and processes that specifically relate to aid and in seeking ways to ensure aid is utilized in ways that meet the actual needs of their constituents.\(^{14}\)

- Work with national statistics bodies to verify that the necessary data is collected, processed, and made publicly available to monitor development cooperation commitments and progress.

- Proactively demand progress reports from the executive on programmes and projects funded by development partners. Parliamentarians also need to ensure that they systematically access and scrutinize progress reports, reviews, and other evaluations produced by their governments and donors.

IV.5 Strengthened mutual accountability among partners for delivering development results

With the 2030 Agenda and its SDGs requiring actions by all partners, all parties have a responsibility to ensure effective use of development resources in order to maximize development results. Mechanisms to agree and monitor progress on these responsibilities on a two-way basis remain important in the context of the 2030 Agenda and need to be rooted in public accountability\(^{15}\) – and it is here again that parliaments and parliamentarians play a key role.

Not only can parliamentarians support the accountability of the executive in their own countries for ensuring development cooperation is managed and dispersed effectively, but they also have a key role to play in ensuring, “mutual accountability”, where partners hold each other to account for the results of their collaboration and the use of development cooperation resources. Mutual accountability is one of the key principles of effective development cooperation and is of critical importance to guarantee that development cooperation policies and programmes lead to more effective results.

Mutual accountability (MA) is a process by which two (or multiple) partners agree to be held responsible for the commitments that they have voluntarily made to one another to encourage the behaviour change needed to meet their commitments. In principle, MA relies on trust around shared agendas rather than hard sanctions for non-compliance and is supported by evidence collected and shared among all partners which can be done through formal mechanisms for tracking progress.

However, parliamentary engagement in such mechanisms has traditionally been limited. For example, while 43 per cent of country-level policy frameworks for development cooperation recognize the distinct roles played by parliamentarians, parliaments and parliamentarians are not always fully involved in mutual assessments.\(^{16}\)

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Mutual accountability mechanisms are also evolving together with the changing development cooperation landscape and coordination structures in many countries. Nonetheless, many development partners reported that mutual accountability assessments are informing the ways of working in the country to improve ownership, inclusiveness and focus on results and to increase transparency and accountability. This points to the continued importance of mutual accountability mechanisms to strengthen the effectiveness of development cooperation (see Box 11 below for several types of common mutual accountability mechanisms).

**Box 10**

Core elements and four enablers for national mutual accountability.

A review carried out by the Overseas Development Institute (ODI) identified the following three core elements for mutual accountability (MA) to be effective in practice:

- Generating a shared agenda (e.g. through joint assistance strategies, partnership declarations, harmonization and alignment action plans, and development cooperation policies which define “how” aid is provided, as well as national development strategies and sector strategies which define “what” aid will be used for).
- Monitoring and reviewing mutual commitments (e.g. through donor performance assessment frameworks, results frameworks, information management systems, and independent evidence from civil society and independent monitoring groups).
- Providing space for dialogue and negotiation (e.g. through development partner forums, joint working and consultative groups which include donors and partner government executives, parliamentarians and civil society partners).


In addition, the UN Development Cooperation Forum (DCF) defines the following as main enablers of mutual accountability and transparency.

<table>
<thead>
<tr>
<th>National development cooperation policy</th>
<th>Country results framework</th>
<th>National development cooperation forum</th>
<th>Development cooperation information system</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Vision</td>
<td>- Monitoring targets</td>
<td>- Multi-stakeholder dialogue</td>
<td>- Accurate, comprehensive and timely data</td>
</tr>
<tr>
<td>- Priorities</td>
<td>- Long-term impact</td>
<td>- Review progress against targets</td>
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<tr>
<td>- Targets</td>
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**Box 11**

Indicative types of mutual accountability mechanisms

- A **Country Action Plan** usually details the objectives and mechanisms that a donor plans to use for its development cooperation with a specific recipient country.
- A **Performance Assessment Framework** (PAF) is a document which provides the basis for joint monitoring and management of budget support by donors and partner countries according to a set of predefined principles, usually including a matrix of mutually agreed indicators.
- **Joint Assistance Strategies** (JAS) are national, medium term frameworks for managing development cooperation between governments and development partners with the aim of better coordinated and harmonized delivery and use of development cooperation.
- **Development Partner Forums** are institutionalized spaces for government and their development partners to discuss development progress and priorities and are usually conducted quarterly to annually.
What can parliaments do to strengthen mutual accountability?

- Advocate for the development of a policy framework that spells out a vision and priorities for managing development cooperation. Ideally such policy framework should outline clearly-defined commitments on both sides, set the rules of engagement, and define how progress will be regularly monitored, including through mechanisms like development partner forums or multi-stakeholder consultative groups (see Section IV.2 for more information on policy frameworks for development cooperation).

- Ensure that roles, responsibilities, and targets are set for all partners recognized in the policy framework, including civil society, the private sector, Southern partners, foundations, academia, etc.

- Engage with several types of international mutual accountability mechanisms, which highlight progress made between partners in increasing the effectiveness of development cooperation, including:
  - “Spotlights” which are non-official mechanisms that seek to provide independent and frank information and highlight issues like donor and partner performance. Examples of such mechanisms include the Centre for Global Development’s Commitment to Development Index.
  - “Mirrors” which are mechanisms often used in peer reviews, where partners hold up a “mirror” to one another. Examples include the Africa Peer Review Mechanism (by partner countries) or the OECD-DAC Bilateral Peer Review process and the EU Annual Report on Financing Development (for development partners).
  - “Two-way mirrors” which are mechanisms that permit donors and partners to check in on each other’s performance in the context of “mutual” agreements like the Busan Partnership Agreement. Examples of this process include the Global Partnership for Effective Development Co-operation’s biennial monitoring process (discussed in depth in Section VI).

IV.6 Improving transparency as a way of rooting mutually accountable partnerships in public accountability

Transparency and accountability are interlinked and integral elements that help to ensure that development efforts are conducted efficiently and effectively, thereby maximizing results for people and countries. Access to high-quality and timely information on development cooperation helps parliaments and parliamentarians to exercise not only their oversight role but also to represent the voices of their constituents in demanding better impact for development cooperation.

Box 12
Parliaments’ role in implementing the SDGs – a parliamentary handbook

Published by GOPAC, UNDP, and the Islamic Development Bank, this handbook provides further information for parliamentarians about the SDGs, shares examples of successful parliamentary practices on how parliaments can fulfil their roles in implementing the SDGs, and offer them a tool they can use to assess and improve their current capacity for engagement in achieving the SDGs.

Available at: https://bit.ly/2OnOhuL

Development partners have committed to improve the availability and public accessibility of information on development cooperation and other development resources and, while a great number of development partners are making progress, others are regressing. Information on development cooperation is more comprehensive than before, but many still struggle to provide timely reporting and forward-looking information. For example, forward visibility of development cooperation from development partners is lower than it was in 2016. In addition, while many partner country governments have an information management system in place where development partners should report data on their development cooperation, the timeliness and quality of the data they report continues to be a challenge.

Box 13
Supplementing development cooperation data reported at the national level with publicly available data on development cooperation

The International Aid Transparency Initiative (IATI)
IATI is a voluntary, multi-stakeholder initiative that seeks to improve the transparency of development and humanitarian resource flows. The IATI Standard, a format and framework for publishing data on development cooperation, is available for use by all development stakeholders. Data reported to IATI can help partner countries to identify and monitor resource flows to their countries and help civil society to hold partner countries and development partners accountable for the use of these resources. IATI contains data from over 1,000 publishers and the data can be accessed through d-Portal (https://d-portal.org) or, for more advanced technical users, through Datastore Query Builder (http://reference.iatistandard.org/203/guidance/datastore/).

What can parliamentarians do?

- Advocate for greater transparency and demand that timely information on development cooperation flows be shared by development partners. Development partners should be encouraged to uphold their commitment to provide timely data, including forward looking data, through country-level mechanisms established by the government (e.g. Aid Information Management Systems). This would enable the government to consolidate data on external flows to present to parliament for review, for example as an annual development cooperation report.
- Encourage development partners to explore the possibility of using data reported by their headquarters to the IATI to lessen their reporting burden at the country level.
- Encourage government entities managing development cooperation data to explore whether existing data gaps can be filled with data from IATI. Data thus supplemented, including data reported by resident development partners, would give parliaments a fuller picture on external development resource flows.

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V. Understanding development cooperation beyond ODA: Domestic resource mobilization and private sector partnerships

As indicated earlier, development cooperation has evolved over the years, with an increasing emphasis on its ability to leverage other sources of development finance and assistance. This section examines several of the most important ways development cooperation is used to catalyse other sources of development finance to meet national priorities and the SDGs, and in this context, the role of parliaments in this process.

V.1 Domestic resource mobilization (DRM): A priority for development finance

The SDGs identify strengthened DRM as a clear priority and underline that the design of a country’s tax system plays a critical role in the country’s economic and social development. For most developing countries, domestic public resources are the largest share of revenue to support domestic spending on development. Sufficient tax revenue is necessary to finance public spending on health care, education, and infrastructure – all of which are prerequisites for sustainable development.

What is Domestic Resource Mobilization?

Domestic resource mobilization (DRM) commonly includes the mix of financial resources available to a government to fund its operations, including direct and indirect taxes, borrowing from local capital markets, royalties on extractive industries, and other revenue (e.g. trade tariffs).
Broadening and strengthening tax systems

Over the past several years, developing countries have managed to increase their capacity to collect taxes both in absolute terms – thanks to higher rates of economic growth – and in relative terms, as a percentage of total taxable income. Still, in most developing countries the tax-to-GDP ratios (a common measure used to determine the strength or weakness of a country’s tax system) is stuck at about 10–15 per cent, significantly less than the 34.2 per cent average for OECD countries.19

This is mainly due to the fact that in many developing countries the informal sector occupies the larger share of the economy and many businesses operate without title or license, or simply fail to comply with tax obligations. Property taxes, the bedrock of the tax system at the municipal level in many industrialized countries, are also difficult to implement because of the lack of formal land titles. In addition, the capacity of developing country governments to collect taxes remains weak.

Beyond this, it is not simply the revenue-GDP ratio that matters; the quality of the revenue system is also essential for delivering fair and efficient outcomes. For example, revenue agencies often have limited technical and financial means, operate in weak governance contexts, and might be susceptible to corruption because of weak oversight. This results in out-of-date taxpayer rolls and lack of enforcement mechanisms, which increases public perception that taxes might not be well spent.

Combatting illicit financial flows (IFFs)

A particular concern relating to domestic resource mobilization and tax compliance is the whole issue of illicit financial flows (IFFs). Specifically, combatting IFFs requires attention to cross-border tax arrangements that facilitate evasion by businesses and individuals. According to Global Financial Integrity, almost US$1.1 trillion of public revenue is lost per year to corruption and illicit transfers.20 Some of these may be characterized as straightforward tax evasion and others as more subtle tax avoidance which, while technically lawful, should be prevented by closing loopholes and other weaknesses in the tax regime. Most illicit flows come from cross-border transactions between companies owned by the same corporate conglomerate, whereby the real value of goods and services sold to a sister company is under-reported in a high tax jurisdiction so that it ends up being taxed in a low tax jurisdiction. IFFs are a core issue to be considered in the context of development cooperation, as they reduce domestic resources and tax revenue by diverting money that could have been used to fund public priorities and poverty reduction programmes.

What are Illicit Financial Flows (IFFs)?

While there is no universally adopted definition of IFFs, it is the World Bank’s definition that is widely used: “money illegally earned, transferred, or used that crosses borders.” This falls into three main areas: (i) the acts themselves are illegal (e.g. corruption, tax evasion); (ii) the funds are the results of illegal acts (e.g., smuggling and trafficking in minerals, wildlife, drugs, and people); and (iii) the funds are used for illegal purposes (e.g., financing of organized crime).

Development cooperation in support of domestic resource mobilization (DRM)

DRM is not a new concept and has long been part of the broader financing for development agenda. However, it is increasingly considered relevant to development cooperation because of partners’ growing use of assistance to strengthen tax collection systems in developing countries and/or to take action against IFFs. Using development cooperation, development partners are increasing their support to countries to improve their tax collection through capacity-building for tax administrations; support to taxpayer education campaigns; advice on reforming the tax code; building tax audit capacity, and so forth.21

Increasingly, international initiatives are forming to target these issues. Two of the most important DRM initiatives are the Addis Tax Initiative (ATI) and the Extractive Industries Transparency Initiative (EITI) (for more information see Boxes 14 and 15). In addition, the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) is one of the initiatives to fight IFFs.22

**Box 14**
**The Addis Tax Initiative (ATI)**

The Addis Tax Initiative (ATI) is a multi-stakeholder partnership of development partners and partner countries that aims to catalyse significant increases in domestic revenue and to improve the transparency, fairness, and efficiency of tax systems in partner countries. It aims to double the amount of ODA directed toward DRM from approximately 1 per cent of global ODA to 2 per cent. The ATI was launched at the 2015 Addis Ababa Third International Conference on Financing for Development and has assembled over 40 countries and organizations as signatories or supporting organizations.

By joining the ATI, the signatory countries sign up to the ATI Declaration and its three commitments:
1. ATI development partners commit to collectively double technical cooperation in the area of DRM by 2020.
2. ATI partner countries commit to step up DRM in order to spur development, in line with the ATI key principles.
3. All ATI member countries commit to promote and ensure policy coherence for development, by ensuring that domestic policies reflect the objective of supporting improvements in DRM in partner countries.

More information on the ATI is available at: [https://www.addistaxinitiative.net/](https://www.addistaxinitiative.net/).

**Box 15**
**The Extractive Industries Transparency Initiative (EITI)**

The EITI is the global standard to promote the open and accountable management of oil, gas, and mineral resources, and is currently implemented by 53 countries. The EITI Standard requires the disclosure of information along the extractive industry value chain from the point of extraction, to how revenues make their way through the government, and how they benefit the public. In addition to enhancing transparency and accountability in the extractives sector, the EITI contributes to addressing the issue of limited government capacity to enter into contracts with powerful extractive industries which results in governments often ending up underselling their resources (royalties) – and thus narrowing the country’s tax base – through contractual arrangements that may not be subject to parliamentary scrutiny.

More information on the EITI is available at: [https://eiti.org/](https://eiti.org/)

**What can parliaments and parliamentarians do?**

The design of a country’s tax system plays a critical role in its economic and social development as well as environmental sustainability. Tax system reform drives to the heart of governance challenges faced by many developing countries, and as such, should engage parliaments in their three core functions of legislation, oversight, and representation. Critical issues for engagement by parliament include:

- Ensuring that donors fulfil the commitments made in Addis Ababa to double the amount of ODA directed toward DRM reform programmes.

• Ensuring that extractive industries’ contracts are subject to parliamentary oversight and with effective tax frameworks in place. Parliamentarians should also encourage their government to join the EITI, if applicable.
• Encouraging laws to effectively combat tax evasion, including requesting development partners to provide technical and financial support to such reforms.
• Supporting measures, including with development partners’ support, to attract the informal sector into the formal sector, where transactions are taxable. Such measures can include tax breaks, access to government subsidies and incentive packages, legal protection, and on-the-job training, among others.
• Advocating for better utilization of information and communications technology by tax authorities to lower high collection costs.

V.2 Private sector engagement in development cooperation

The scope and ambition of the 2030 Agenda call for more effective partnership with the private sector. In this vein, there is an increasing focus on partnering with the private sector in development cooperation to leverage their capacity for innovation and harness additional resources to solve sustainable development challenges. Private sector engagement (PSE) in development cooperation therefore aims to achieve development objectives while simultaneously recognizing the need for financial return. However, different partners have highlighted a number of challenges with private sector engagement through development cooperation, including safeguards on the use of public resources, insufficient attention to concrete results and outcomes (particularly for the benefit of those furthest behind), and limited transparency, accountability, and evaluation of PSE projects.

The results from a review of 919 PSE projects conducted by the Global Partnership for Effective Development Co-operation echoed the need to improve country ownership, focus on sustainable development results, establish more inclusive partnerships, strengthen transparency and accountability, and manage risks for all partners, to harness private sector resources in ways that drive development impact and help to reach the furthest behind. Analysis of the PSE projects concluded that the development cooperation community could do much more to improve the implementation of private sector partnerships on the ground, including by focusing more on sustainable results, impact, and accountability. The Kampala principles on effective private sector engagement in development co-operation aim to address the challenges associated with private sector engagement in development cooperation.

Parliaments and parliamentarians have an important role to play in ensuring the transparency and accountability of PSE projects and that the PSE delivers sustainable development results for those left behind. The five Kampala principles can help guide efforts in this area.

What can parliaments and parliamentarians do?

• Advocate for defining national PSE goals through an inclusive process, articulating a policy framework that is explicit about the role expected of the private sector in delivering national and sectoral development priorities in line with the 2030 Agenda, including defining how success will be measured.
• Create legal frameworks for suitable incentives to attract the private sector, particularly investment in small projects, but also to hold private sector stakeholders to account.
• Continue efforts to build economic institutions which foster an enabling business climate for the private sector to engage in SDG implementation, and ensure the coherence of legal provisions and policies to facilitate the participation of the private sector and other stakeholders in policymaking and assessment.
• Advocate for dialogue among central and local legislative and executive agencies, the private sector, and citizens to pool ideas, and at the same time, to achieve public consent and harmonize the interests of relevant stakeholders.

23 The definition of PSE is broad and includes all modalities – such as finance, policy dialogue, capacity development, technical assistance, and knowledge-sharing.
25 Ibid.
• Support the allocation of appropriate budgets for investment in institutional capacities to effectively partner across different stakeholder groups and to stimulate private investment and entrepreneurial activities into research, development and innovation.

• Build performance indicators and reporting systems for joint monitoring and evaluation on investment impacts, and organize forums allowing for constructively sharing knowledge, technical know-how, success stories, gaps, and lessons learned in sustainable investment, production, operation, and consumption.

V.3 Public-private partnerships (PPPs)

An increasingly common modality of partnership with the private sector in both developed and partner countries is the public-private partnership, or PPP. PPPs are long-term contractual arrangements where the private sector provides infrastructure and services that have traditionally been provided by the public sector, such as hospitals, schools, roads, water, and sanitation. For governments seeking to fund domestic development projects, the public-private partnership offers an option that lies somewhere between public procurement and privatization. Ideally, it brings private sector competencies, efficiencies, and capital to improving public assets or services when governments lack the upfront cash to implement. In return, companies agree to take on risk and management responsibility in exchange for profits linked to performance.

Public and private sector actors have different incentives to engage in PPPs. From a public sector perspective, arguments in favour of PPPs include the capacity of the private sector to deliver high-quality investment in infrastructure. Private sector participation may also reduce the need for the state to raise funds for large capital investments upfront. From the private sector perspective, the profitability of projects is crucial. Depending on the sector and location, PPPs represent a very attractive business opportunity for companies such as construction and engineering companies, service providers (for example healthcare service providers) and banks. PPPs offer a less risky way of investing for the private sector, as they guarantee an income for a long period of time, which is normally largely underwritten by the government.

Box 16

What are Public-Private Partnerships (PPPs)?

Although PPPs are not new, there is no universally agreed definition of the concept. The acronym PPP is currently being used in development discourse to identify very different types of arrangements. This can generate confusion and make constructive debate about PPPs’ contribution to financing for development difficult. An increasing number of countries are enshrining a definition of PPPs in their laws, each tailoring the definition to their institutional and legal particularities. According to the most widely accepted definition, a PPP is:

• A medium- or long-term contractual arrangement between the state and a private sector company – often in the form of a “concession” – in which a private operator builds and/or takes responsibility for the maintenance of a public asset (road, railway, etc.) in exchange for the right to its use/management for monetary gain.

• An arrangement in which the private sector participates in the supply of assets and services traditionally provided by the government, such as hospitals, schools, roads, railways, water and sanitation, and energy.

• A risk-sharing arrangement between the public and private sector (which might include government guarantees to ensure a minimum return to the private operator).

• A joint public-private ownership (equity stake) in a public company or asset (e.g. public utility, extractive industry, national airline).

However, PPPs also imply a number of risks which must be addressed from the outset to ensure that these projects are successful and benefit equitably the involved private actors, citizens, and public sector. These risks include possible:

• Higher construction and transaction costs than public works given that PPP arrangements are highly complex to negotiate and implement.

• Hidden liabilities that may eventually need to be paid by taxpayers, including charging unaffordable user fees and high administrative overheads.
- Disappointing results compared to government-provided services or infrastructure.
- Exclusion of those most in need of public services, including shortcutting environmental assessments and other processes normally in the public interest.\(^{27}\)

Given the risks involved, forming PPPs which serve development interests and citizens alike requires strong parliamentary oversight.

**What can parliaments and parliamentarians do?**

- Ask for a full accounting of the costs of PPPs. As PPPs are an expensive form of debt, sensible accounting practices should be adopted, for instance:
  - Include PPPs in national accounts, i.e. make sure that they are registered as government debt, and therefore are part of debt sustainability analysis.
  - Through adequate risk assessment explicitly recognize the risk of hidden contingent liabilities should the project fail.
  - Ensure that alternative financing methods, including public borrowing (government bonds), are considered before entering into PPPs, and that an analysis of the true costs and benefits of PPPs is carried out.
  - Help ensure the right to redress for any affected communities.
- Demand full transparency and accountability in the negotiation and execution of major PPP agreements.
  - Ask that a mandatory fiscal risk, human rights and environmental impact assessment for every PPP project is conducted and published.
  - Verify if governments proactively disclose documents and information related to public contracting in a manner that enables meaningful understanding, effective monitoring, efficient performance and accountability of outcomes, as provided for by the Open Contracting Global Principles (see Box 17 below).
  - Demand that data on PPPs is collected, processed, and shared with national and international statistics bodies which will provide evidence that can be used by parliaments in their oversight of PPPs.

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**Box 17**  
**The Open Contracting Global Principles**

The Open Contracting Global Principles gather best practices for disclosure and participation in public procurement, serving as a guide to advance open contracting around the world. They require proactive disclosure of:

- Contracts, including licenses, concessions, permits, grants etc..
- Related pre-studies, bid documents, performance evaluations, guarantees and audit reports.
- Information about the contract formation: the method of procurement or award; the scope and specifications for each contract; the criteria for evaluation; the bidders or participants in the process; the results of the evaluation, and the identity of the contract recipient.
- Information about the performance and completion of public contracts: dates and amounts of stage payments made or received; service delivery and pricing; arrangements for ending contracts; final settlements and responsibilities; risk assessments and risk management provisions; and appropriate financial information regarding revenues and expenditures.

More information is available at: [https://www.open-contracting.org/implement/global-principles/](https://www.open-contracting.org/implement/global-principles/).

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• Demand and hold public consultations. For any major infrastructure projects or privatization of public assets (hospitals, roads, utility company, etc.), ask governments to allow for informed consultations and broad civil society participation and monitoring, including by local communities, trade unions, and other stakeholders.

• Demand strong selection standards for private sector partners, ensuring that they have a good track record of legal, regulatory and tax compliance.

• Ensure that development outcomes are at the forefront in design and selection of projects and that the projects benefit everyone in society, in agreement with national development strategies. This means ensuring affordability of the services for the public sector and users, as well as addressing equity concerns in terms of access to infrastructure services and avoiding negative impacts on the environment. Parliaments should also ensure governments develop clear outcome indicators and monitoring frameworks from the project selection phase to the operational phase of the project to measure the impact of PPPs on the poor.

• As part of the follow-up to the Addis Ababa Action Agenda on financing for development, advocate for a global standard on PPPs and a set of comprehensive and development-focused principles and criteria for the use and assessment of PPPs.

V.4 Blended finance

An approach to private sector engagement in development cooperation known as blended finance is increasingly helping to put the power of private capital to work on development issues in emerging markets. Namely, sustainable development projects that typically start with public or philanthropic (concessional) capital are blended with (and get a powerful boost from) private investment capital seeking both financial returns and the satisfaction of contributing to global solutions.

Blended finance has the advantage of bringing capital to developing areas. Over three-quarters of investments in lower-income markets are “below investment grade”,28 which helps explain why many investors overlook development projects that do not have blended finance instruments. In effect, blended finance is a kind of subsidy for commercial actors engaged in development-related work in order to address market failures. It is increasingly presented by donors and development finance institutions as a way to de-risk or “leverage” private investment, making private investors more comfortable in investing in development projects by mitigating perceived risks or additional costs that could otherwise deter them. Examples of perceived risks include: capacity gaps in the local market, significant currency fluctuations, regulatory uncertainty, higher costs of providing services (electricity, water, sanitation, etc.) to out-of-reach rural communities.

Blending aims to lower these risks through a concessional subsidy that can take several forms depending on the project and the risk involved. It is typically provided as:

• A grant or a concessional loan offered to the investor to reduce the costs of a project.

• A guarantee that investors will be reimbursed if expected gains do not materialize.

• Technical assistance to reduce some of the transaction costs that an investor would otherwise forego for project-related research (e.g. conducting feasibility studies).

There are many theories showing the benefits of blending. Most have at their core the fact that the injection of concessional public finance can tilt the balance of risk and reward for commercial investors. This incentivizes them to provide resources for development activities that they would not otherwise have supported and to conduct existing activities in a way that is better aligned with development objectives. There is thus a rationale for blending that makes sense from an economic and developmental point of view. At first glance, the argument for blended finance is convincing. Yet, as a growing body of independent analysis has found, the underlying assumptions may not materialize due to a number of factors, such as:

• It is very challenging to measure the amount of additional resources that are mobilized through blending and whether such resources would have been invested anyway without public support, given that the counterfactual outcome cannot be

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28 If shares or bonds are “below investment grade” it means that there is a risk that they may lose value or not be paid back.
observed. This difficulty creates a risk that blending is used in situations where it does not actually add any value.29

• Past experience shows that blended finance projects can have unintended negative consequences in regards to the development effectiveness principles – for instance on country ownership (national governments in partner countries are not always involved in setting priorities), transparency (little information on blending facilities is publicly available), and mutual accountability (mutually-agreed mechanisms for monitoring and evaluation are not always in place).30 There are also mainstream economic concerns – e.g. market distortions that lead to crowding out of other investments.

• Using more concessional public finance for blending may come at the expense of aid for government-provided services and infrastructure that contribute directly to human development while strengthening the enabling environment for businesses.

• Projects supported through blended finance tend to be for-profit and thus often target countries, geographic areas, and sectors where commercial gains can be realized. If such projects do not create sufficient “shared value” (economic value and social value),31 the use of public resources for blending needs to be reassessed. This is a common concern about blended finance projects (and PPPs) in general.

• Informed decision-making on the potential role of blended finance in development requires data and evidence. At present, judgements on the usefulness of blended finance in development are hampered by the quality and consistency of data available on such investments. There are no common reporting standards for actors involved in blended finance, and the data that does exist is typically contained in a range of disparate datasets. Much of the data is not publicly available and, where figures are available, data from different actors may be inconsistent or incompatible.32

Noting the challenges and risks above, parliaments have a responsibility to consider blending in the context of the 2030 Agenda’s ultimate goal of ending poverty and ensuring that no one is left behind.

What can parliaments and parliamentarians do?

Given their oversight role, parliaments can analyze the risks of blended finance and promote safeguards through the following actions:

• Vet major blended finance agreements, making sure they are negotiated in full transparency and subjected to parliamentary scrutiny, and demand reports on results achieved by blended finance projects.

• Make sure blended finance projects are consistent with national plans and priorities, and the SDGs.

• Ask that proposed blended finance projects comply with the highest standards of corporate governance, responsible business conduct, and environmental and social protection.

• Encourage development and commercial actors taking part in blended finance operations to adopt a common monitoring and evaluation framework as well as to communicate publicly the performance and results of blended finance activities.

• Ensure that the decision on whether to use blending rests with the citizens of partner countries, not with donors, and that blended finance projects fulfil local development priorities in line with the principle of country ownership.

• Ensure that the concerns of marginalized groups are reflected in the choice of blending as an instrument of development cooperation.33

29 For example, a recent evaluation of seven major EU blending facilities found that in almost half of the cases examined, there was no clear reason articulated for the use of blending. See: European Commission, Evaluation of Blending (2016): https://ec.europa.eu/international-partnerships/system/files/evaluation-blending-volume1_en.pdf.


VI. From commitments to action: The Global Partnership for Effective Development Cooperation

The Global Partnership for Effective Development Cooperation (GPEDC) is a global, multi-stakeholder platform that was established to advance the effectiveness of development efforts and deliver results that are long-lasting and contribute to the achievement of national and international development goals. The initiative was constituted by the 161 countries and 56 organizations present at the Fourth High Level Forum on Aid Effectiveness in Busan (2011), who all expressed their commitment to helping improve the quality of development cooperation in all its forms and with all relevant actors involved (i.e. national and subnational governments, civil society, the private sector, parliaments, trade unions, philanthropy, regional and multi-lateral organizations, among others).

The GPEDC brings together these development cooperation stakeholders in order to support more effective partnerships at all levels – national, regional, and international. Through a multi-pronged work programme, it provides practical guidance and shares knowledge to boost development impact, supporting country-level implementation and monitoring of the effective development cooperation principles agreed in Busan (country ownership, a focus on results, multi-stakeholder partnerships, and transparency and mutual accountability to one another).

Its multi-stakeholder, voluntary, and country-level monitoring of effectiveness commitments tracks progress towards the effectiveness principles and seeks to capture behaviour change by focusing on how partners work better together (see Box 18 below on the Global Partnership Monitoring Framework).
The GPEDC also helps sustain political momentum for global effective development cooperation commitments through a series of ministerial-level meetings. Two such meetings were held, in Mexico City (2014) and in Nairobi (2016), as well as a Senior (Director-General)-Level meeting in New York (2019), with a third high-level meeting expected in 2022.

Parliamentarians participate in these meetings and contribute to shaping their political outcomes in close coordination with the Inter-Parliamentary Union (IPU) that currently serves as a representative of parliaments on the GPEDC’s multi-stakeholder Steering Committee. The Parliamentary Statement from the Nairobi High-Level Meeting outlines nine key issues of concern to parliaments in order to ensure the increased effectiveness of development cooperation (see Box 19 below).34

### Box 18
The Global Partnership Monitoring Framework (GPEDC)

The GPEDC monitoring framework consists of a set of ten indicators which focus on strengthening developing countries’ institutions, increasing the transparency and predictability of development cooperation, enhancing gender equality, and supporting greater involvement of civil society, parliaments, and the private sector in development efforts.

Each monitoring exercise culminates in a Global Progress Report, a snapshot of progress across all participating countries and individual country profiles, which contextualizes results and provides analysis of progress and bottlenecks at the country level. An interactive data visualization dashboard is also available to explore results on effective development cooperation across participating countries and organizations, allowing users to see trends and progress over time, for both partner countries and development partners.

More information on Global Partnership monitoring, including Global Progress Reports and individual country profiles is available at: [https://effectivecooperation.org/monitoring-country-progress/making-development-co-operation-more-effective/](https://effectivecooperation.org/monitoring-country-progress/making-development-co-operation-more-effective/).

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### Box 19
Highlights of the Nairobi Parliamentary Statement

The Nairobi Parliamentary Statement calls on all parliaments to:

1. Demand that a national plan for the SDGs is drawn up in each country with parliaments’ involvement and that legislation and budgets are aligned with this plan.
2. Ensure that a national development cooperation policy is drawn up in each recipient country and that parliaments actively participate in the design, monitoring and assessments of such policies.
3. Advocate for a dramatic scaling up of development cooperation to strengthen parliaments’ capacities. Donor agencies should be required by law to collect data on their cooperation in support of parliaments.
4. Apply all available institutional tools to scrutinize public spending of foreign and domestic resources.
5. Ensure all global aid commitments, including the 0.7 per cent of GNI, are met and all aid is untied.
6. Help ensure robust national tax systems and cooperate on international tax matters to fight tax evasion and illicit financial flows, support measures to prevent capital flight and the lowering of corporate tax rate.
7. Ensure that all financing options are considered before entering into public-private partnerships (PPPs) and that all partnership contracts are negotiated in full transparency. Parliaments need to vet major PPPs agreements, blended finance agreements, international trade and investment agreements, tax agreements, and debt relief initiatives.
8. Demand more financial support and greater involvement of parliaments in development cooperation coordination structures.
9. Deepen the GPEDC presence at the country level. A national platform should oversee the implementation of the national development cooperation policy and contribute data into the global monitoring process of the GPEDC.

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How can parliamentarians contribute to galvanizing international actions for more effective development cooperation?

As the elected representatives of the people, parliamentarians must lead in promoting the effectiveness of development cooperation and ensuring that it delivers high quality development results. This role should also be extended to encourage action by other stakeholders to increase the effectiveness of development cooperation at global, regional, and country levels. This section reviews various ways in which parliaments and parliamentarians can help galvanize action depending on the specific context.

What can parliaments and parliamentarians do?

A. Deepen engagement in the Global Partnership for Effective Development Cooperation at global and national level

- Formalize the inclusion of parliamentarians in national delegations to the Global Partnership’s high-level meetings as well as in national multi-stakeholder dialogue/platforms on development cooperation, ensuring that parliamentary representation reflects a wide range of political affiliations.
- Advocate for and work with the government and other stakeholders to establish country-specific commitments on effective development cooperation, including plans to implement the effectiveness principles. Such dialogue can be pursued through development, consultation, and/or review of national sustainable development strategies, national development cooperation policies, and/or the Voluntary National Reviews on SDG implementation presented at the United Nations High-Level Political Forum.
- Advocate for and work with the government and other stakeholders to undertake regular monitoring of effective development cooperation through the Global Partnership monitoring process.

B. Utilize country evidence to examine, analyze, and drive the national effectiveness agenda

As outlined above, Global Partnership monitoring tracks progress in the implementation of effective development cooperation commitments through a set of 10 indicators. While all 10 indicators can provide useful insights on how government and development partners are improving the effectiveness of their cooperation, the following four indicators are particularly relevant for parliaments and parliamentarians, and can inform their crucial work to ensure the accountability and transparency of development cooperation:

- Aid on budget (Indicator 6): Is development cooperation included in budgets subject to parliamentary oversight?
- Mutual accountability (Indicator 7): Is mutual accountability among development actors strengthened through inclusive reviews?
- Gender budgets (Indicator 8): Do countries have transparent systems in place to track public allocations for gender equality and women’s empowerment?
- Tied aid (Indicator 10): How much aid is subject to conditions that favour the donor’s own contractors and industries?35

Parliaments need to take stock and progress on these indicators and help ensure follow up action is undertaken by their respective governments and development partners.

C. Speak with one voice on effective development cooperation in international development cooperation forums

Unlike the executive branch, parliaments do not necessarily speak as one voice on effective development cooperation. Building consensus for the promotion of effectiveness – internally with their own members, and externally with relevant national stakeholders – can help parliaments and parliamentarians play a more proactive role in moving forward the development effectiveness agenda.

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What can parliaments and parliamentarians do?

1. **Raise awareness on effective development cooperation**
   Ensuring that parliamentarians understand the breadth and depth of the wide range of policy issues discussed throughout these Guidelines (and beyond) is a precondition for MPs to engage meaningfully in the effectiveness agenda. This can be done through initiatives such as:
   - Including briefings on development cooperation issues in any induction programme for newly elected members.
   - Requesting that an awareness-raising session be held for all parliamentarians on effective development cooperation, the GPEDC and its monitoring framework, and national effectiveness results (as applicable).
   - Requesting that parliament debate and formally endorse a resolution outlining the country’s commitments to development cooperation.
   - Incorporating an annual hearing on the parliamentary calendar (in plenary or committee) to review progress toward official development cooperation commitments.

2. **Create cross-party groups**
   In almost all parliaments, members who are elected on behalf of a political party sit as a party group. However, in many parliaments, like-minded parliamentarians have formed cross-party groups to deal with issues of common interest (e.g., the environment, gender equality, health care). These groups allow for the breakdown of party barriers and promote a dialogue among members that can then be used to forge a consensus. Some common cross-party groups include women’s caucuses, bilateral parliamentary cooperation groups, and groups affiliated with global networks of parliamentarians (e.g., GOPAC, the anti-corruption network).

   Forming a development cooperation cross-party group could provide an opportunity for MPs of different political views, for instance, to pressure the government to progress on its effectiveness commitments and targets, to provide a wide range of inputs into a national aid policy, or to engage in the GPEDC monitoring process.

3. **Formulate a parliamentary strategic development plan**
   Over the years, many parliaments have developed a parliamentary development strategic plan aimed at setting out guiding principles and identifying the strategic goals, objectives, and priority actions that should contribute to reinforcing their capacity to carry out their constitutional mandate effectively. A specific reference to parliament’s commitment to engage effectively in development cooperation could be added to such a plan. Parliaments can solicit assistance from UNDP, the IPU, and other international partners for the formulation of a strategic development plan.

4. **Establish a focal point in parliament**
   Given that different parliamentary bodies are likely to engage in development cooperation, identifying an institutional focal point could help coordinate and disseminate relevant information. This focal point for development cooperation can be a multi-party committee or a special parliamentary body with horizontal responsibilities on specific issues and quasi-committee status. A hybrid development cooperation committee drawn from members of budget and finance, public accounts, infrastructure, and natural resources could be another option. The parliamentary body assigned the focal point function would also coordinate the liaison between the parliament and the development cooperation country platforms discussed in the previous sections.

D. **Promote engagement of citizens in development cooperation and facilitate public participation**
   Generally, citizens have limited understanding of development cooperation. Parliamentarians can play a crucial role in raising citizens’ awareness of what development cooperation is and why it matters, as well as of the results achieved. Engaging citizens can also help build much-needed political support for parliamentary oversight over development cooperation issues and related processes. Concrete ways in which parliaments can raise citizen awareness of effective development cooperation include:
• Local public forums: Either within a constituency or a local community, a parliamentarian or a parliamentary committee can organize either formal or informal public forums to sensitize people and give them an opportunity to provide feedback on current development cooperation-related issues.

• Public consultations: Such consultations can range from the informal (such as public forums and reporting sessions) to the more formal (e.g. public hearings in parliament). Social media and new technology can be used to seek people’s feedback and conduct surveys.

• Civil society partnerships: By working closely with civil society organizations (CSOs), parliamentarians can expand their reach and ensure that voices that might not otherwise be heard are given the chance to provide input to their work.

• Making development cooperation data and processes visible on the parliament’s website so that citizens can easily have access to this information.

• Determine and publicize the calendar of the parliament’s activities on development cooperation (e.g., committee meetings, reports due).

E. Support the localization of effective development cooperation

For development cooperation to be effective and to serve their intended beneficiaries, the principles of effective development cooperation need to be localized and development cooperation policies need to involve sub-national and regional governments. At the Second High-Level Meeting of the GPEDC in November 2016 in Nairobi, parliamentarians committed to “localizing the goals to our countries’ contexts and to implementing the goals through all relevant national structures and parliamentary processes.”

Local governments have deep roots in the social, political and economic fabric of communities, which places them in a unique position to ensure grassroots participation and to design services that contribute to poverty reduction and the achievement of the global development agendas. Local authorities are themselves direct providers and recipients of growing flows of financial and non-financial development cooperation.

Parliaments can contribute to localization of development cooperation by strengthening local authorities’ involvement in the following ways:

• Advocate for sub-national governments to be involved in the formulation of national development strategies and aid policies.

• Consult local authorities on national development cooperation goals and indicators as well as on how such goals can be adapted to regional and local contexts.

• Encourage local authorities and their networks to engage in the GPEDC monitoring exercise and national dialogue platforms.

• Promote cooperation between national and local authorities, including by monitoring the impact of development cooperation policies and programmes at the local level, and by developing regular interaction (e.g. joint workshops).

• Support local authorities to formulate, implement, and monitor their own development cooperation programmes, and to apply effective development cooperation principles to the financial aid and technical assistance they receive from international partners.

VII. Conclusion: Strengthening parliaments and parliamentarians’ role in development cooperation

Achieving the 2030 Agenda requires not only more resources but a stronger focus on the quality of development cooperation.

As discussed in these Guidelines, development cooperation is in constant evolution with new approaches and processes being put to the test every day. Development cooperation has grown very complex over the years partly in response to calls for more transparency and accountability as well as better development outcomes.

Parliaments and parliamentarians all over the world must play a significant and informed role in ensuring that development cooperation delivers high quality and sustainable development results for people and countries. Parliaments’ ability to engage in development cooperation and make it more effective in delivering the SDGs will ultimately depend on improving their capacities for law making, oversight, budget and representation.

These Guidelines are a contribution to this vast undertaking. To keep abreast of development cooperation issues, learn of new initiatives, or simply connect to experts and colleagues, parliamentarians are invited to join the GPEDC Knowledge Platform at https://knowledge.effectivecooperation.org/.
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