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DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE

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Working Party on Aid Effectiveness and Donor Practices

MEDIUM TERM PLAN FOR MONITORING THE PARIS DECLARATION ON AID EFFECTIVENESS

Terms of Reference

3-4 July 2006

This document is submitted FOR APPROVAL at the next meeting of the Joint Venture on Monitoring the Paris Declaration to be held on 3-4 July 2006.

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MEDIUM TERM PLAN FOR MONITORING THE PARIS DECLARATION

Terms of reference for elaborating the monitoring plan

1. The Paris Declaration calls on the Working Party on Aid Effectiveness to: “propose arrangements for the medium-term monitoring of the commitments made in [the Paris] Declaration”.¹ The present terms of reference set out the scope, objectives and methodology for elaborating a report that **will provide the basis for establishing the medium-term monitoring plan** (“the Monitoring plan”). The report will be commissioned to consultants under the direct responsibility of the OECD-DAC Secretariat.

Background

2. Partner countries and donors committed themselves at the Paris High-Level Forum on Aid Effectiveness to implement the Partnership Commitments presented in Section II of the Paris Declaration and measure progress against 12 specific indicators (Section III).² It also establishes mechanisms to monitor the implementation of both commitments and indicators as a means of securing results and ensuring credibility of the aid effectiveness agenda agreed in Paris. Commitments and indicators are monitored through two related processes.

3. *Commitments.* Implementation of the commitments is to be periodically assessed at the country level under the leadership of the partner country.³ In doing so, the Paris Declaration signals the importance of drawing on qualitative and quantitative assessments and making use of appropriate country level mechanisms.

4. *Indicators.* Participants at the Paris High-Level Forum also agreed that progress would be measured against 12 indicators as a way of tracking and encouraging progress against the broader set of commitments agreed in Paris. To this end, the OECD-DAC Working Party on Aid Effectiveness (“the Working Party”) has been tasked to coordinate the international monitoring of the indicators. It was agreed in Paris that three rounds of monitoring would be undertaken in 2006 (currently underway), 2008 and 2010. Targets for the year 2010 have been set for all 12 of the indicators as a way of encouraging progress at the global level among the countries and agencies that agreed to the Paris Declaration.

5. The Paris Declaration also calls upon the Working Party to: “propose arrangements for the medium-term monitoring of the commitments made in [the Paris] Declaration”. To this end the Working Party has tasked the Joint Venture on Monitoring the Paris Declaration (“the Joint Venture”) to establish a medium term plan to monitor the Paris Declaration (Ref. DCD/DAC/EFF(2005)21).

¹ Paris Declaration, paragraph 11.

² Ibid, paragraph 8.

³ Ibid, paragraph 10.

6. Alongside its strong focus on monitoring, the Paris Declaration also highlights the importance of exploring an independent cross-country evaluation process. It states that this process should provide a more comprehensive understanding of how increased aid effectiveness contributes to meeting development objectives and that it should be applied without imposing additional burdens on partners.

Purpose and scope of the report

7. The main purpose of the Report is to provide a basis for establishing the medium-term plan for monitoring the commitments made in the Paris Declaration. To this end, the report will be structured in two parts. The first part will describe on-going monitoring activities at various levels (country, regional, global). The second part will make proposals to improve planned monitoring activities that are planned between 2006 and 2010.

8. Evaluation is distinct from but closely linked with monitoring. The Monitoring plan will make reference to, and explore and develop the synergies and complementarity with, on-going work in the area of evaluation including the work being developed by the OECD-DAC Evaluation Network.

Structure of the report

Part I: Mapping of on-going monitoring activities

9. The following section focuses on the five main chapters of the Report – a more detailed description of the structure is presented in the appendix. In Part I, the Report will give particular attention to the following issues:

- What mechanisms exist to support reliable monitoring of aid effectiveness activities, and more particularly, of the Paris Declaration commitments?
- How effective are the monitoring exercises in encouraging donors and partner countries to implement agreed commitments?
- How effective have the monitoring exercises been in enabling the development of actionable agendas on aid effectiveness?
- Do the monitoring activities make best use of existing mechanisms at all levels? Are the transaction costs of the monitoring exercises commensurate with their effective and potential benefits?
- How transparent, reliable and credible are the monitoring exercises? What best practices exist which could be shared elsewhere?

10. In examining these questions the report will make a distinction between monitoring the commitments included in the Paris Declaration and monitoring the indicators.

11. Part I will be structured as follows:

- *Country level* — this section of Part I will document on-going activities on monitoring the Paris Declaration at country level. In particular, it will examine what use is currently being made of existing country level mechanisms such as the Consultative Groups, Roundtables and other country-based mechanisms (Independent Monitoring groups or evaluations). In doing so, this chapter will provide answers to the following questions: (i) How effective has the process

established by the 2006 Survey on Monitoring the Paris Declaration in monitoring commitments been? (ii) What use is being made of Consultative Groups and Roundtables mechanisms? (iii) Do the monitoring exercises enhance country leadership over their national development agenda? (iv) Are there other country level mechanisms that need to be considered?

- *Regional level* — this section will document on-going activities on monitoring the Paris Declaration at the regional level. In particular, it will examine what use is currently being made of existing country regional mechanisms such as the Strategic Partnership with Africa (SPA), NEPAD and the role played by the regional development banks.
- *International level* — this section will document on-going and planned activities on monitoring the Paris Declaration at the international level. In particular, it will examine the role currently being played by the Working Party and other organisations and international fora engaged in monitoring the Paris Declaration.
- *Other levels and related processes* — this section will document on-going activities on monitoring and evaluating the Paris Declaration at all other levels. In particular, it will further develop and clarify linkages with the OECD peer reviews and with on-going evaluation processes.

Part II: proposed medium term monitoring plan

12. This second part will set out a number of proposals on how the process for monitoring the Paris Declaration might be made more effective over the medium term (2006-2010). In doing so, this chapter will take full account of experiences, both successes and failures, in monitoring the Paris Declaration. Part II will be structured as follows:

- *Guiding principles* — set out some principles that will guide the recommendations for the Monitoring plan (e.g. avoid duplication of data collection processes at the country level).
- *Country level* — make recommendations on how monitoring the Paris Declaration might be improved at country level. In particular, it will examine the following questions: (i) How can the process for managing the Survey on Monitoring the Paris Declaration be improved in the future? (ii) What use should be made of Consultative Groups and Roundtables mechanisms? (iii) Are there other country level mechanisms that need to be considered?
- *Regional level* — make recommendation on how monitoring the Paris Declaration might be improved at the regional level.
- *International level* — In particular, it will examine the role currently being played by the Working Party and other organisations and international fora engaged in monitoring the Paris Declaration. In particular this chapter will seek to answer the following questions: (i) Is the Working Party best placed to undertake the medium-term monitoring of the Paris Declaration? (ii) What would be the pros and cons of handing over the management of monitoring the Paris Declaration to the UN ECOSOC? (iii) Are there any other alternative options or possible institutional arrangements? (iv) What tools could donors implement to facilitate and streamline data collection regarding aid effectiveness and the Paris Declaration?
- *Other levels and related processes* — This section will document on-going and planned activities on monitoring the Paris Declaration at all other levels. In particular, it will examine the role

currently being played by the OECD peer reviews and will examine the linkages with on-going evaluation processes.

Methodology for elaborating the Report

13. The consultants will draw on a broad range of sources of information for elaborating the report including:

- Information generated by the 2006 Survey on Monitoring the Paris Declaration.
- Interviews with aid practitioners at field level including National Coordinators for the 2006 Survey.
- Relevant literature.

14. The consultants will elaborate on the methodology and the sources of information for elaborating the Baseline Report in their inception report (see below).

Process for clearing the Report

15. The Report will be established by consultants under the responsibility of, and in close coordination with, the OECD-DAC Secretariat (“the Secretariat”). Members of the Joint Venture will be closely associated with the elaboration of the Report at all the stages of its development. All comments and issues will be raised at the meetings of the Joint Venture and communicated in writing to the Secretariat. The role of the Secretariat will be to ensure clear, effective and timely communication between the Joint Venture and the consultants undertaking the work. The following opportunities for commenting on the Report are provided:

- *Terms of Reference* – Members will discuss the terms of reference at the meeting of the Joint Venture on 3-4 July with a view to reaching agreement. Following the meeting Members will send written comment to the Secretariat.
- *Inception report*— The consultants’ inception report is made available by the 14 August and shared with members of the Joint Venture. Members will have until the 18 August to submit their comments to the OECD Secretariat for consolidation.
- *First full draft* — A first full draft of the report is made available by 2 October and shared with members of the Joint Venture. Members will have until the 23 October to submit their comments to the Secretariat for consolidation.
- *Final draft of the Report* will be released on 13 November 2006.

TASKS	DEADLINE FOR CONSULTANTS	DEADLINE FOR WRITTEN COMMENTS
Task 1: Terms of reference for the Report.		7 July
Task 2: Consultant's inception report — The consultants will submit a report set out a methodology for elaborating the Report (sources of information etc.).	14 August	18 August
Task 3: First full draft of the Report.	2 October	23 October
Task 4: Final version of the Report.	13 November 2006	

Other key issues for consideration by the Joint Venture

16. Once the Report is established the Joint Venture will need to reach agreement on the following key issues:

- What use will be made of this Report in developing the Monitoring Plan?
- How will agreement be reached on the Report? And at what level (JV-MPF, WP-EFF)?
- Once agreement is reached on the Monitoring plan what use will be made of it in the various international fora?

APPENDIX

Detailed Structure of the Report

Frontmatter

- Title page
- Copyright page (including OECD information)
- Foreword [Situates the Medium term monitoring plan in the broader context of the Paris agenda]
- Acknowledgment and credits
- Table of contents
- List of tables, figures, boxes
- List of abbreviations
- Executive Summary [about 4 pages long]

Body of the book

- Part I: Mapping on-going monitoring activities
- Part II: Proposed medium term monitoring plan

Backmatter

- Annexes