Effective Institutions Platform

BACKGROUND NOTE

ANNUAL MEETING 25-26 APRIL 2019

This Background Note has been prepared to inform discussions during the 5th Annual Meeting of the EIP. The principal objective of this meeting is to "reboot" the EIP in a way that it can continue to add value to the growing discourse on peer to peer learning approaches, and further contribute to institutional development objectives in the future.

The Note identifies three considerations for members seeking to ensure that the EIP is 'Fit for the Future', including: (i) the need for a clear strategic focus, together with working methods and partnerships that are carefully calibrated to these objectives; (ii) a monitoring, evaluation and learning framework that allows to the EIP to demonstrate the value added of peer to peer learning; and (iii) functional governance arrangements and renewed membership engagement.

The Note is based on EIP outputs produced during the revisioning process, including the EIP Visioning Report of July 2018 and the Survey Analysis, prior EIP documents (Strategic Framework 2015-2020, work plans, briefing notes) and internal Secretariat reflections.

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1. INSTITUTIONAL EVOLUTION – WHERE ARE WE NOW AND WHERE HAVE WE COME FROM?

1.1. Changing priorities and objectives

During its relatively short history, the EIP has developed through a process of continuous evolution, adjusting its priorities and objectives along the way. Many of these changes were influenced by changes in the overriding policy context (from the Busan "New Consensus" to SDG 16), but also by funding priorities and new ways of thinking on how best to deliver development assistance.

This adaptability is both a strength and a weakness of the platform. A lesson learned from institutional development processes is that a clear and broadly shared mandate is an essential building block for organizational success. The results of a recent EIP member survey, signal that existing EIP members and partners have differing conceptions of the role and function of the EIP, which may, in part, be a reflection of its members.

In 2012, during the Busan High Level Forum on Aid Effectiveness, 34 countries and organisations endorsed a "**New Consensus on More Effective Institutions for Development**." The EIP was created to operationalise this New Consensus and support the creation of accountable, inclusive and transparent public sector institutions in three broad areas: effective resource management, accessible and quality public services, and responsive policies. At inception, the EIP aimed to work with institutions (the wider environment and rules that shape behaviour), public sector organisations (e.g. ministries or local authorities), and individuals (e.g. public officials and end-users).

In 2012 and 2013, consultations with EIP members resulted in the identification of five empirical and learning priorities: (i) change management and making reform happen; (ii) indicators for success; (iii) domestic resource mobilisation; (iv) use of country systems; and (v) accountable and inclusive institutions. The UK championed and funded the work stream on institutional reform ('making reform happen'), advancing this work while other work streams remained in planning stages.

By 2016, and still with a focus on institutional reform, the EIP established itself as **a "*new mechanism for innovation and peer learning on effective and inclusive institutions*"** tasked with developing and disseminating methods and knowledge on peer-to-peer learning. In the following years, the EIP was institutionalized and became more influential as a platform. The EIP's 2015-2020 Strategic Framework maintained its focus on strengthened public sector institutions by stimulating country-driven and contextually adapted approaches to public sector reform through learning alliances and workstreams oriented to the following three areas of focus:

- Enhancing resource management and services delivery (use of country systems; Public Financial Management; domestic resource mobilization; responsive service delivery)
- Monitoring and measuring institutional capacity (assessment; indicators)
- Facilitating accountability and inclusion (accountability, transparency and participation).

With the advent of Agenda 2030, and the new and explicit reference to effective institutions under Goal 16, the EIP has continued to attract attention. Nevertheless, by early 2018 members agreed that a revisioning process was needed to sharpen the EIP's focus, enhance results, and renew membership and participation. **This Annual Meeting will be an opportunity for members to discuss the results of these deliberations.**

1.2. Methods of work

The EIP has undertaken diverse tasks and activities in recent years, and adopted differing ways of working:

- The EIP built a reputation as a **convenor of multi-stakeholder policy dialogues, experience sharing and lesson learning** through, for example, events on the use of country systems in collaboration with the International Dialogue on Peacebuilding and Statebuilding[1], and pilot efforts in Senegal and Bangladesh.

- The EIP also established itself both as a peer-learning platform for institutional reform by supporting north-south and south-south **peer learning alliances** around member-initiated activities. One example is the learning alliance of the supreme audit institutions from six Latin American countries (Ecuador, Costa Rica, Chile, Paraguay, Uruguay, Brazil) with technical support from the International Organisation for Supreme Audit Institutions (INTOSAI).

- These EIP peer learning interactions demonstrated the need for **methodological guidance** on peer-to-peer learning, resulting in the design of "**A Guide to Peer-to-Peer Learning**" in 2016, which aimed at making peer-to-peer support and learning more effective in the public sector.

- In 2017, the EIP provided three **small grants** via the SPARKS programme to support practical implementation of peer-to-peer learning initiatives by EIP members. Three grants (one on climate finance, another on the use of evidence in five African parliaments, and finally, one on fiscal decentralisation and improving the use of own-source revenue) were allocated with the intention of testing the EIP learning guide. These experiences allowed the EIP to identify similarities and differences in peer to peer approaches, and to pinpoint key challenges and lessons[2].

1.3. Achievements – What have we learned?

According to a 2016 DFID review of the work stream it funded, the principal achievements of the EIP were the establishment of its governance structure, sound management of activities by the Joint Secretariat, the production of the Peer Learning Guide, and the running of collaborative pilot learning alliances. EIP members and beneficiaries also spoke of the benefits of peer-to-peer as an opportunity for more relevant and contextually based conversations about institutional reform, and multistakeholder exchanges as an opportunity to depart from more traditional approaches to capacity building[3].

Conversely, the DFID review observed that the EIP was unable to sufficient demonstrate its value add for several reasons:

- The formal structure did not lend itself to a dynamic, southern driven and innovative peer learning model;
- Lack of targeting in membership;
- Underestimation of the time and resources required to undertake peer learning processes;
- Insufficient strategic focus;
- Lack of sustainability.

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[1] The International Dialogue for Peace Building and Statebuilding brings together fragile countries, OECD DAC donors and Civil Society Organisations to foster peacebuilding and statebuilding efforts in fragile contexts through use of country systems

[2] INASP (2018).

[3] Levine (2018).

Based in part on these findings, the EIP began a more focused effort in support of two major lines of activity: hosting multi-stakeholder dialogues and the creation of learning alliances' to foster ongoing peer-to-peer learning alliances on public sector reform (Levine 2018).

The subsequent SPARKS grants (2016) provided by USAID supported the foundational activities of three peer learning initiatives (on climate finance, the use of evidence in parliaments and fiscal decentralisation and improved collection of own source revenue) through: the identification of key champions, successful initial workshops, and improved institutional networking. One criticism of the SPARKS was that did not include the required organisational-level capacity building necessary to support implementation of reform initiatives in the learners' home institutions.

To conclude, and since inception, the EIP has established a credible reputation as a multi-stakeholder platform that contributes to and influences debate on various reform processes. EIP records show that southern institutional reformers value peer learning. It provides opportunities for experiential and tacit knowledge sharing that is difficult to gain from more traditional capacity development approaches. Despite these contributions, the EIP is perceived as having fallen short of producing the sustained organisational-level reform intended due to significant constraints in time and funding. The SPARKS grant assessment also concludes that, to escape the activity-focused trap, EIP will require a strong management/facilitation team and a flexible and adaptive approach, which integrates learning within programme delivery.

2. FIT FOR THE FUTURE: THE EIP's VALUE ADD

Based on the Revisioning Report and the overview presented above, an EIP that is ''fit for the future'' requires: (i) a clear and strategic focus on the EIP's value add in the current development landscape, including focused (or thematic) areas of intervention, as needed; (ii) and understanding of the opportunities, if any, to build or collaborate on existing collaborative peer to peer partnerships; (ii) a credible framework to track the results of peer learning processes; and (iii) functional resourcing and governance arrangements. Each of these factors is discussed in turn below.

2.1. Strategic focus

The development landscape has evolved considerably since the EIP's founding. The previous central focus on 'aid effectiveness' as an outcome of the Busan Conference in 2011, has been broadened towards the SDG's 'Universalism'. These events have precipitated a decisive shift away from traditional north-south and south-south partnerships or collaboration, towards a discourse of triangular cooperation, mutual knowledge-sharing and learning, and peer-to-peer institutional arrangements to support effective institutional change and development. In response to this evolution, several organisations are adopting **_more iterative, adaptive, locally driven, and politically-informed ways of working_** and have signalled an interest in the EIP acting to bring these experiences to scale and effectively integrate these new ways of working into the standard operating practices of development actors. A central premise of these ideas is the recognition that problems of institutional or developmental change may not be evident at the outset of a development project, and thus demand a measure of flexibility and iteration in programming and results management.

Within this changing context, the EIP needs to make strategic choices in relation to the focus of its intervention. Based on the current interests of partner countries and donors and drawing on

additional interviews, three strategic options for the EIP's future direction emerge. These are ranked in ascending order of cost and complexity as follows:

- **Option I** is for the EIP to become a *global knowledge platform on innovative approaches to peer-to-peer learning and implementation, as a contribution to SDG 16, and the attainment of Agenda 2030.*

The number of global partnerships, institutional twinning arrangements, learning alliances and communities of practice is growing (see [Global Delivery Initiative](#), [Government Partnership International](#), [LOGIN](#) Asia, [Norad Knowledge Bank](#), [Open Government Partnership](#), etc.), and yet there is an absence of a mechanism or forum for systematic exchange and learning among these peer-to-peer, institutional or network partnerships. The EIP is well placed to assume such a role. This would imply taking stock of leading peer to peer learning initiatives, development and delivery of an effective learning agenda, and support for the development and implementation of good practice peer to peer approaches among OECD-DAC member countries and peer to peer beneficiary countries, using the [Peer to Peer Learning Guide](#) as a basis. Consolidated and enhanced learning on peer-to-peer as an effective means of supporting institutional development could lead to the development of new tools and mechanisms that can better support SDG 16 implementation and enhance ODA delivery modalities. By some measure, this proposal corresponds with the ''betting on bronze'' proposal put forth in the Visioning Paper, and involves clear and sustained commitments in knowledge creation, sharing and management.

An estimated budget of €700k would be needed to carry out such initiative in the 2019-2020 biennium. Subject to agreement, a more detailed costing would be needed.

- **Option II** constitutes a more ambitious approach and would involve *supporting existing peer learning alliances in one or more sectors of common interest to EIP members and donors*.

The survey and additional interviews point to domestic resource mobilisation (and another?) as a possible area of common interest. The EIP could bring the added value of enhanced knowledge and learning on peer-to-peer approaches to institutional reform and development, including through results monitoring and tracking. This benefit of this approach is that it would build on existing partnerships and networks (e.g. CABRI, ATAF) and on accumulated experience and progress made over the past few years in several peer-to-peer partner countries. This approach broadly corresponds to the 'stretching for silver' approach adopted in the Revisioning Paper (p20), with some variation.

An estimated budget of €700k- 1.2 million would be needed to carry out such initiative in the 2019-2020 biennium. Subject to agreement, a more detailed costing would be needed.

- **Option III** represents the mostly costly and ambitious option for the EIP, and would involve the *expansion of existing south-south peer-to peer partnerships, through a form of triangular cooperation (north-south-south), or the creation of new south-south or north-south learning alliances, to support SDG 16 implementation.*

This would involve providing facilitation services (identification and matching of peers, support for peer-to-peer learning and collaboration), methodological guidance and tracking of results. Some

country level focal points also expressed the need for support to promote peer-to-peer learning as a capacity development strategy within the national government/administration. This option corresponds <u>to some extent</u> with the 'going for gold' model put forth in the Revisioning Report, although 'going for gold' foresees an even more expanded role, including expert facilitation and technical advisory services.

An estimated budget of €1.5-3 million would be needed to carry such a proposal forward in the 2019-2020 biennium. Subject to agreement, a more detailed costing would be needed.

The options presented here do not preclude the development of hybrid approaches comprising a combination of the choices above, and other elements.

Importantly, the survey did not provide a clear indication of specific policy areas on which the EIP should focus - aid effectiveness, transparency & accountability and domestic resource mobilization each received similar levels of interest from survey respondents. Climate change resilience received the least interest.

Accordingly, the EIP's area of focus will be subject to explicit decision among members.

> Members are encouraged to brainstorm and reach agreement on the EIP's value add, its strategic areas of focus, with reference to the budget envelope members envisage could feasibly be adopted.

3. PARTNERSHIPS

The EIP established project-based partnerships with networks such as the Collaborative Africa Budget reform Initiative (CABRI) and INTOSAI, although these partnerships tended to be ad hoc and operational in nature (i.e. focused on implementing selected activities) rather oriented towards a shared vision of longer term reform processes. Going forward, strategic affiliations would be instrumental for the realisation of EIP's added-value and should be based on partnering agreements that describe the nature of the cooperation (information sharing; joint programming; reporting; etc.), respective inputs/outputs and expected results/benefits to be achieved. Three approaches are suggested:

1. The visioning paper suggests partnering with **global initiatives** to draw inspiration and enhance the EIP's relevance through their existing partnerships and operations, including for example, through the Open Government Partnership, Global Delivery Initiative, and Global Partnership for Social Accountability, and Pathfinders for Peaceful, Just and Inclusive Societies).

2. Another approach may be to support or facilitate existing **regional or country-based partnerships** (see e.g. work done by [LOGIN](#) in South East Asia), both to leverage and support these networks of peers living in a common country or region, and to add value by bringing EIP knowledge and learning on effective peer to peer modalities to these positive trajectories of institutional reform. The survey of EIP members conducted in the last quarter of 2018 revealed increased demand for the EIP to have more of country-level presence, grounded by a series of champions or regional focal points. Members would benefit from a discussion as to what may be feasible.

3. A third option is to establish partnerships with **thematic organizations** like INTOSAI, the African Tax Administration Forum (ATAF) or CABRI. EIP has engaged with these and other networks and these collaborations can be revived. Thematic networks have the potential to facilitate the creation of peer alliances in particular areas of technical expertise, while the EIP could provide complementary support by tracking results, and distilling learning on what works and what does not with a view to improve knowledge on effective support for sectoral reforms through peer to peer learning.

For all options, a cost-benefit analysis of potential partnerships will have to be considered alongside questions of philosophical alignment, size, organizational approach, policy and funding requirements (Levine 2018). The strength and legitimacy of any prospective partnerships could also lie in a strategic combination of different kinds of partnerships and will highly depend on the EIP's working methods in coming years, for example, will the EIP focus principally on providing a convening forum and knowledge exchange for effective peer to peer learning approaches? Will it seek to provide methodological guidance, or will it continue to provide support for country level learning alliances? Each have substantive implications for the EIP's partnership choices.

> Members will be encouraged to consider the EIP's methods of work, partnership and alignment, and agree on a practical way forward.

4. MONITORING, EVALUATION AND LEARNING (MEL)

The evidence on *how institutional development change happens through peer-to-peer partnership approaches*, and the casual links, that exist between these efforts are not yet firmly established, despite increased knowledge on the ingredients of institutional success over the past two decades.

Scholars and practitioners broadly agree that two particular dimensions of institutional change are important (Barma, Huybens, Viñuela 2014[4]):

- *Internal organisation of public agencies:* This covers the constitutional foundations of organisations, i.e. the existence of a clearly defined mandate or mission, the extent to which the institution is able to deliver against its agreed objectives or priorities, its internal leadership and management, and communication[5].

- *Management of an institution's external operating environment*: This concerns the institution's connections to society and its fit in the socio-historical context of the country. This includes, but is not limited to, the degree of trust and credibility an institution enjoys (legitimacy), the degree to which it is accountable and open to the public, but also its contextual adaptation (as opposed to various forms of institutional mimicry).

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[4] Naazneen H. Barma, Elisabeth Huybens, and Lorena Viñuela (eds.), Institutions Taking Root: Building State Capacity in Challenging Contexts, Washington, DC: The World Bank, 2014.
[5] Ibid, N3 above. Capacity development often focuses too much on formal aspects leading to "isomorphic mimicry" (public agencies with all the formal attributes of an ideal internal organisation but that for various reasons cannot perform their actual functions). Thus, capacity development cannot be judged by the existence of formal attributes, but rather by the institutional performance and resilience.

Rodrik (2007) and Fritz (2016) caution that an institution's relevant function is influenced by institutional forms, strategies, interests, and incentives influencing particular outcomes. In other words, for methodological integrity, and in the absence of considerable operating resources, it will be difficult to track peer-to-peer results across a highly variable range of sectors.

These issues are further complicated by the potential to exacerbate what Pritchett, Woolcock and Andrews (2014) have coined as 'capability traps,' where institutional forms may privilege function, or where development partners overstretch existing institutional capabilities.

Given what is known about how institutional change happens and the social learning to be derived from peer to peer learning approaches, traditional linear MEL arrangements (i.e. premised on logframes, input and outcome bases), which principally or solely focus on reporting results against initial objectives, are arguably ill-suited to identifying how results came about. Rather, MEL should allow for the identification of incremental, flexible and adaptive steps towards progressively improved institutional capacity, with some means to track for unforseen results and to account for the benefits of 'social lerning' through a peer to peer approach. Innovative approaches such as the use of searchframes[6] rather than logframes could be recognised and even stimulated through the MEL framework.

The actors involved, both in supporting institutional reforms or undertaking peer to peer learning approaches, the nature of their interactions, as well as the mechanisms that drive effective learning alliances will also determine results. Thus, the MEL framework will need to consider analysis of the actors involved as well as power dynamics and any potential power imbalances that may affect constructive exchange between peers. The MEL framework also needs to capture "soft" aspects of the P2P relationship such as building and nurturing trust and how actors react to (and adapt) to time and resource constraints.

Following an initial brainstorming at the EIP Annual Meeting, the EIP Secretariat proposes the creation of a Reference Group to provide feedback and guidance to an MEL framework for Peer to Peer.

Members will be encouraged to discuss the relevant components of a proposed MEL approach and to signal their interest in participating in a Reference Group to support MEL framework development.

5. MEMBERSHIP, GOVERNANCE AND FUNDING

Original membership of the EIP included participants of the Task Force Meeting on Public Financial Management in Manila in June 2011 and the signatories to the New Consensus on More Effective Institutions for Development (November 2011). The 52 members included countries, organisations, multilaterals and professional networks. New members joined later (up to 70), but the current membership is unclear. Over the years, some members have shown more limited signs of engagement and initial country interest may have shifted to other partnerships or networks. The survey also suggests the need both to review the EIP's constituency and membership and renew donor engagement.

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[6] Searchframes are used in the PDIA approach. See the PDIA toolkit pp. 54-55.

EIP *governance arrangements* were adopted during the EIP meeting in Korea in December 2013. The governing bodies of the EIP are the members, the Co-Chairs, the Advisory Group and a Joint Secretariat. Existing governance arrangements (see here) are laid out in a specific document, although current practice shows that various aspects of these arrangements may be outdated (e.g. the "New Consensus" is currently overshadowed by the SDGs and SDG 16 in particular) and/or are no longer implemented (e.g. the current governance arrangements expected from the Advisory Group). It is also the case that, since September 2018, the OECD has hosted the EIP Secretariat, implying a shift from a joint UNDP-OECD Secretariat. The Annual Meeting will provide an opportunity for members to consider the form and function of the Secretariat and its Advisory Group, in line with the EIP's future areas of focus and methods of work.

The EIP received and spent two large grants: 750.000£ from DFID (2013-2016) and 450.000USD from USAID. SIDA has further provided 260,000 € to support the revisioning process and agreed to finance a position in the secretariat for 2 years, and the UK FCO is contributing €160 k over four years (2019-2022) to support the creation and implementation of a monitoring, learning and evaluation framework, EIP support for the newly created OECD Auditor's Alliance and the OECD Network of Latin American SOEs, and a review of results in 2021. There are no additional funding commitments in the pipeline at the current time, and clear and realistic financing will be needed to avoid that the revisioning remains a declaration of intention.

Members are encouraged to review, update and formally adopt governance arrangements, as well as to consider supporting the EIP and recommending new members.

6. ANNEX 1: ACRONYMS

ATAF	African Tax Administration Forum
CABRI	Collaborative Africa Budget Reform Initiative
CSO	Civil Society Organisation
DDD	Doing Development Differently
DLP	Development Leadership Programme
GDA	Governance Data Alliance
GDI	Global Delivery Initiative
GPEDC	Global Partnership for Effective Development Cooperation
GPI	Government Partnership International
IBP	International Budget Partnership
ILO	International Labour Organisation
LOGIN	Local Government Initiative and Network
INTOSAI	International Organisation of Supreme Audit Institutions
OECD	Organisation for Economic and Development Cooperation
OGP	Open Government Partnership
PDIA	Problem Driven Iterative Adaptation
PFM	Public Financial Management
SDG	Sustainable Development Goals
SIDA	Swedish International Development Agency
TWP	Thinking and Working Politically

7. ANNEX 2: SOURCES

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