Summary of the Third INTOSAI-Donor Steering Committee Meeting

Washington, DC, USA, July 19-20, 2011

LIST OF PARTICIPANTS

Donor Community
Awinja Wameyo  African Development Bank
Youssouf Loum  African Development Bank
Mitchell O’Brien  AGORA / World Bank Institute
Julia Zhzyko Martinet  Belgian Ministry of Foreign Affairs
Mathieu Lafrénière  Canadian International Development Agency
Vlassia Vassikeri  European Commission
Meike Janosch  German International Cooperation (GIZ)
Deborah Sprieterz  Inter-American Development Bank
Norberto Diamanti  Inter-American Development Bank
Richard Hughes  International Monetary Fund
Anne Barry  Irish Aid, Department of Foreign Affairs
Ivar Evensmo  Norwegian Agency for Development Cooperation
Anders Hjertstrand  Swedish National Audit Office
Peter Rostedt  Swedish National Audit Office
Lukas Schneller  Switzerland (SECO)
Stephen Sharples  UK Department for International Development
Thomas Briggs  US Agency for International Development
Anthony Hegarty  World Bank
Manuel Vargas  World Bank

INTOSAI Community
Seongjun Kim  ASOSAI Secretariat, (SAI Korea)
Maria Guadalupe Fernandez Espinosa  EUROSAI Secretariat, (SAI Spain)
Osama Jafar Faqeeh  General Auditing Bureau (Saudi Arabia)
Rashad Kassim  General Auditing Bureau (Saudi Arabia)
Gene Dodaro  Government Accountability Office (USA)
Helen Hsing  Government Accountability Office (USA)
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Per Engeseth  INTOSAI Development Initiative (IDI) (SAI Norway)
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Stella Salazar  OLACEFS Secretariat (SAI Panama)
Algimiro Velazquez  OLACEFS Secretariat (SAI Panama)
Bruce Robertson  PASAI Secretariat (SAI New Zealand)
Welcome and opening remarks

1. **Joachim von Amsberg**, Vice President of the World Bank, welcomed the participants to the World Bank for the 3rd INTOSAI-Donor Steering Committee Meeting. He expressed the World Bank’s appreciation of the partnership with the INTOSAI community and reflected that it supports issues core to World Bank operations including openness, transparency, accountability, and good governance. He emphasized that SAIs are critically important to the efforts to increase the use of country systems and to enable the Bank to manage fiduciary risk.

**Lisa Gomer**, General Counsel of USAID, also welcomed the participants, on behalf of US AID Administrator Rajiv Shah. She briefly described USAID’s plans to deepen and broaden its engagement with Supreme Audit Institutions (SAIs) as part of an ongoing reform, *USAID Forward*. This included commitments to expand USAID’s use of country systems, which made deepening partnerships with SAIs essential to USAID’s future work.

The joint chairs of the INTOSAI-Donor Cooperation, **Osama Faquih**, President of the General Auditing Bureau of Saudi Arabia, and **Tony Hegarty**, Chief Financial Management Officer at the World Bank, also delivered opening remarks. These underlined the successful start of the partnership and the shared responsibility to make further steps in the implementation of the Memorandum of Understanding. Mr Hegarty announced that the World Bank will provide support to a capacity development program on the implementation of the International Standards of Supreme Audit Institutions (ISSAIs).

Update on INTOSAI-Donor Activities

2. The INTOSAI-Donor Secretariat (Secretariat) gave a brief progress report on the 2011 Work Programme for the INTOSAI-Donor Cooperation.

3. A number of global and regional capacity development initiatives which were prioritized at the second Steering Committee meeting in Johannesburg in 2010, have been matched, or are in the process of being matched, with donors willing to provide funding:
   - SECO of Switzerland is funding the update of the Strategic Plan of CREFIAF.
   - IDI is financing two rounds of a strategic planning programme for SAIs in CREFIAF, and the African Development Bank is working with CREFIAF to finance a third round.
   - The African Development Bank is in dialogue with CREFIAF on the possible support for SAIs in the region in the field of financial or performance auditing.
- The Inter-American Development Bank will support the update of the Strategic Plan of CAROSAI.

- Progress is underway to secure financing from DFID to deliver regional workshops in the Capacity Building Guides, and to enable greater involvement of the regions in the future work of the CBC.

- IDI, through funding provided to it by Swedish SIDA, will provide additional support to the Programme on Management Development for SAIs in AFROSAI-E.

- The World Bank will provide funding for the development and roll-out of guidance on implementation of the International Standards of Supreme Audit Institutions (ISSAIs).

Some of the prioritized initiatives are still in need of funding. The Steering Committee recognized the need to continue and conclude on the joint efforts to complete the matching. Donors interested in providing support were encouraged to contact the Secretariat.

The Norwegian Agency for Development Cooperation (NORAD), Irish Aid and the Austrian Development Agency are providing funding for the INTOSAI-Donor Secretariat for the period 2010-2012.

4. The Secretariat has commenced the mapping of performance measurement tools for SAIs. The goal is to find or develop a single tool for objective measurement of SAI performance which both the INTOSAI and donor communities can use. The INTOSAI Congress in Johannesburg in 2010 gave the INTOSAI Working Group on the Value and Benefits of SAIs the task of developing such a tool in collaboration with the INTOSAI Capacity Building Committee (CBC) and the INTOSAI-Donor Steering Committee, with the goal of tabling it at the INTOSAI Congress in 2013. The Secretariat is cooperating with all three bodies in the early stages of this activity and has prepared a discussion paper with proposed timelines and roles and responsibilities.

5. The Chairs of the Steering Committee and the Secretariat have participated in different forums to raise awareness on the INTOSAI-Donor Cooperation. The Secretariat has circulated two progress reports to the Steering Committee since the last meeting and has published articles in the INTOSAI Journal. Increasingly, the Secretariat is serving as a knowledge and information centre on SAI capacity development and will aim at constantly improving the communication with stakeholders.

**Information Sharing on Capacity Development Activities**

6. A session of information sharing on existing SAI capacity development programs, which included brief presentations from nineteen participants from both the INTOSAI and donor communities, was appreciated by all participants and revealed the rich diversity of existing cooperation. Bilateral and multilateral agencies, including DFID (UK), the World Bank, the Inter-American Development Bank, USAID, Norad (Norway), CIDA (Canada), Irish Aid, and the International Monetary Fund, discussed changes to the environment in which they provide aid, the increased focus on the importance of SAIs, and highlighted specific programmes at the global, regional and country levels. GIZ, as an observer to the meeting, gave an account of their support to INTOSAI regional bodies and SAIs in 20 countries, including efforts to measure
performance and impact. GIZ also, on behalf of KfW, presented their activities in supporting SAIs directly and indirectly. The IDI and regional bodies, including OLACEFS, ASOSAI, PASAI, EUROSAI and CAROSAI (presented in their absence) highlighted the extensive nature of capacity building through regional and trans-regional programmes. Individual SAIs talked about their peer to peer support. The SAI of Sweden (SNAO) presented its comprehensive capacity building portfolio and the funding modality used, in which the Swedish Parliament finances SAI capacity development through SNAO’s budget. SAIs in emerging economies (Brazil and India) explained their role as providers of support to other SAIs, as well as their own ongoing capacity development. The session set the scene for further discussions on advancing cooperation, coordination and possible additional financing arrangements. The Steering Committee noted the possibility for additional organisations to sign the Memorandum of Understanding between INTOSAI and the Donor community going forward, recognizing that there are no funding commitments associated with doing so, as many aspects of the MoU are about improving the effectiveness of existing cooperation.

Global Call for Proposals

7. The Secretariat presented a discussion paper outlining a possible global call for proposals to identify capacity development projects in need of financial or peer-to-peer support. The rationale behind the proposal is to maintain the momentum of the cooperation and move further towards improved coordination and increased levels of support to SAIs.

8. During the discussion that followed, participants expressed support for the proposal, provided that it did not replace already existing funding arrangements, and that efforts were made to manage expectations (regarding the availability of funding) in the INTOSAI community by being cautious on the language used. The participants were of the view that a call for proposals would provide updated information on capacity development needs and contribute to coordinated support. The Steering Committee Leadership and the participants underlined the strong link between the call for proposals with the pooled funding discussions and the databank.

9. Participants discussed the potential advantages and disadvantages of an open call for proposals versus one that was more restricted. Regional bodies made it clear that while they could help SAIs to think through their own priorities and identify priorities at a regional level, their role would not include prioritizing the needs of different SAIs in their regions. The meeting concluded that an open process, under an agreed set of priorities, was the best way forward.

10. Participants discussed the importance of the applications being available in languages other than English, and agreed to use INTOSAI’s official languages. Additionally, the Inter-American Development Bank offered to support Portuguese translations.

11. The Steering Committee agreed to develop a communication on the global call for proposals to identify potential programs for funding. It would be issued in late August 2011 and be open to all SAIs and INTOSAI bodies. The Secretariat would manage and coordinate the process. Decisions on the provision of support will be made by individual donors and SAI providers. Further guidelines and a communication
approach for the application process and a revised application template would be developed by the Secretariat, in coordination with the Steering Committee Leadership. The INTOSAI regional bodies would take an active role in the process, including assisting with communications, identifying potential regional programs, and helping to manage expectations within the regions. The regional bodies would not prioritize applications put forward by individual SAIs.

**Pooled fund arrangement to support SAI capacity development**

12. At its second meeting in November 2010, the Steering Committee agreed in principle to establish a pooled fund as a complement to other funding modalities. The Secretariat was tasked with exploring options for such arrangements. The Secretariat presented a discussion paper with the results of this work. A pooled fund is considered to add value to the INTOSAI-Donor Cooperation by increasing the support to SAIs in developing countries, increasing coordination among donors, strengthening the focus on SAIs' strategic and development plans, reducing transaction costs for SAIs and donors and contributing to improved allocation of support. Two pooled funding modalities were considered viable for the cooperation; a multi-donor trust fund hosted by a multilateral institution or a pooled bank account hosted by a lead donor.

13. The Steering Committee agreed to establish a task force of like-minded donors to develop and establish a mechanism for pooled funding. The task force will work with the Secretariat under the guidance of the Steering Committee Leadership. The African Development Bank, Belgium, Canada, Ireland, Switzerland, USA, UK and the World Bank expressed interest in participating in the task force, recognizing that this did not constitute a funding commitment. The task force agreed to convene and establish a timetable for moving forward, as well as to examine and make a proposal on the use of funding windows within the pooled fund. The governance arrangements would keep the pooled fund open for other parties to join.

**INTOSAI-Donor Cooperation Databank – Structure and Procedures**

14. The Steering Committee also agreed at its November 2010 meeting to establish a databank that would track ongoing and planned support, being cognisant of the existing INTOSAI Capacity Building Directory set up under INTOSAI’s Capacity Building Committee (CBC) and hosted by the Swedish National Audit Office. The proposal was that the existing CBC Directory, including details of current and planned support projects, would be transferred from Sweden to the Secretariat. The databank would include information on support provided by donors, from within the INTOSAI community and from other service providers. The Secretariat presented the progress made on this task, and put two discussion papers forward for approval. The first included the draft structure and contents of the databank, the other included a draft policy for data access and data entry. The Secretariat has developed a prototype for the databank which was demonstrated for the participants.

15. The Steering Committee participants recognized the need for effective coordination of support to SAIs and INTOSAI bodies and saw the databank as a pivotal instrument in reaching this goal. Participants advocated to move forward in two steps, i.e. first giving priority to establishing the databank in order to improve coordination of support, and in the long term developing it into a more comprehensive portal for
knowledge sharing on SAI capacity development. Participants emphasized the need to keep the databank up-to-date as well as the importance of awareness raising. Several other points, including branding and the completeness of the databank were raised by the participants to be considered going forward. The proposed project reporting threshold was dismissed, so as to not omit important SAI projects for example, that may be part of overall public financial management projects.

16. SAI Morocco, as chair of the Capacity Building Committee, indicated that the issue of transferring the current CBC directory from Sweden to IDI was raised at the CBC sub-committee 1 meeting in June where it was agreed to effect the transfer, subject to approval at the CBC Steering Committee meeting to be held in September.

17. The Steering Committee agreed to prioritize the work to establish and launch the databank on SAI support and bring the data up to date. It was agreed that the CBC and the Secretariat will discuss and coordinate the way forward, with the support of the SC Leadership as necessary. A target date for gathering data from donors and providers of peer-to-peer support, populating and launching the database would be agreed to and communicated to all. The Steering Committee agreed to the proposals put forward regarding databank structure, access and publication procedures. This entails that the databank will be publicly accessible on the internet, and that stakeholders will enter information, which will be subjected to certain quality assurance procedures.

Presentation by AGORA

18. Mitchell O'Brien from the World Bank Institute presented Agora, which is an online platform to promote parliamentary development. The portal can be accessed at www.agora-parl.org. The many links between Parliamentary development and SAIs were highlighted, and there appeared to be strong opportunities to learn from the experience of Agora. In its development work, Agora is in the process of moving towards a regional structure, based on the regional classifications adopted by INTOSAI. Agora’s approach includes a database of support projects and knowledge portals as platforms to a more connected and effective means of information sharing, discussing, advocacy and institutional development. Participants agreed that Agora experience may have lessons and implications for the INTOSAI-Donor databank and communications approach in the future.

Updates to the 2011 Action Plan and Work Programme


Other business

20. Recognizing the opportunity afforded by the fourth High Level Forum on Aid Effectiveness in Busan in November 2011, participants were asked to consider the best way of promoting the INTOSAI-Donor Cooperation at this event. The SC leadership will then take this forward with the OECD-DAC Task Force on Public Financial Management.
21. The date and venue for the next Steering Committee meeting will be decided upon in due course. A tentative date is towards the end of February 2012.

22. The Steering Committee was encouraged to provide suggestions for a possible new name of the INTOSAI-Donor Cooperation to the Secretariat. A tentative proposal from the Steering Committee Leadership was “International Collaboration for Strong SAIs,” in short ICSSAI.

Summary and conclusions

23. The Steering Committee agreed to move forward implementation of the INTOSAI-Donor Cooperation, including but not limited to:
   a) Develop and issue a global call for proposals of potential programs for funding,
   b) Establish a task-force of like-minded donors which will develop and establish a mechanism for pooled funding of SAI capacity development,
   c) Prioritize the establishment of a databank of SAI support to improve coordination,
   d) Collaborate in the mapping of performance measurement tools for SAIs (with possible subsequent development work).

24. The above activities will be taken forward in parallel, with a tentative target date of November/December 2011.

25. The Steering Committee Leadership valued the strong participation at the meeting, especially from the INTOSAI Regions.
### Annex 1:
Updated INTOSAI-Donor Steering Committee 2011 Work Programme

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<thead>
<tr>
<th>Task</th>
<th>Deadline</th>
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<tr>
<td>Matching of remaining short term initiatives and donors (1st round of matching at global and regional level)</td>
<td>Continuous</td>
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<tr>
<td>Establish and launch databank of SAI support</td>
<td>Nov 2011</td>
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<tr>
<td>Mapping of performance measurement tool for SAI s</td>
<td>Dec 2011</td>
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<tr>
<td>Awareness raising during INTOSAI and Donor forums</td>
<td>Continuous</td>
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<td>Facilitate SC leadership and SC meetings</td>
<td>Continuous</td>
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<td>Assist task force of interested donors establishing a pooled fund</td>
<td>Nov 2011</td>
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<tr>
<td>Initiate a call for proposals targeting SAI s, INTOSAI Regions and INTOSAI globally.</td>
<td>Posted August 2011, response by early November 2011</td>
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<tr>
<td>Prepare draft 2012 Steering Committee Work Programme</td>
<td>Dec 2011</td>
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