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Review of

INTOSAI-Donor Cooperation 2018

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Foreword

This Review of the INTOSAI-Donor Cooperation was commissioned by the INTOSAI-Development Initiative (IDI) on the 20 April 2018 to the Swedish company Professional Management Arne & Barbro Svensson AB. The team for the Review consists of Dr. Tony Bennett (team leader), Mr. Arne Svensson (senior evaluator) and Ms. Lina Lenefors (internal quality assurance). The authors would like to thank the INTOSAI-Donor Secretariat, and especially Mr. Ole Schoyen, for his extensive inputs and support throughout the Review. A number of INTOSAI and donor community representatives also contributed.

The final content of this report remains the responsibility of the authors and does not necessarily reflect the views of the INTOSAI-Donor Cooperation or its Secretariat.

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1   Executive Summary

1.1   Background

The Cooperation is a joint initiative of the International Organization of Supreme Audit Institutions (INTOSAI) and the Donor community. The INTOSAI-Donor Memorandum of Understanding (MoU) was signed in 2009 by INTOSAI and 15 development partners (Donors), with the resulting partnership becoming known as the INTOSAI-Donor Cooperation (hereafter contracted to IDC). There are now 23 donor members of the IDC. The IDC Secretariat was established in June 2010 as a department within the INTOSAI Development Initiative (IDI) with control shared with the funding donors. IDI is the capacity building arm of the International Organisation of Supreme Audit Institutions (INTOSAI). The purpose of IDC is to improve SAI performance in developing countries, through scaled-up and more effective support. This works through changing the behaviour of stakeholders in both the INTOSAI and Donor Communities.

An independent evaluation of the IDC was carried out in 2015. The evaluation concluded positively on its continued relevance and the success of its main activities, but made the following recommendations:
- Better alignment between the MoU and Program Document
- Improved prioritization of IDC activities
- More focus on main objectives at global, regional and country levels
- Adequate representation of developing countries in the Steering Committee
- Stronger connection with other INTOSAI bodies
- Increase the visibility of IDC.

The INTOSAI-Donor Steering Committee reviewed the recommendations and responded with the following commitments:
- The IDC would focus more on the key principles[1] in the MoU
- Establishing working groups to review and make recommendations on the pillars of the cooperation
- Assess the IDC's role as custodian of the SAI Performance Measurement Framework in its prioritization of IDC activities
- Improved cooperation with the INTOSAI Capacity Building Committee
- More active participation of regional bodies in IDC
- Development of a communications strategy, a results framework and a monitoring and reporting strategy

1.2   Observations, Analysis and Conclusions

The Review has taken into account the results of the independent evaluation (2015) and the INTOSAI-Donor Steering Committee's responses and commitments. Below we have summarised

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[1] (1) The SAI community will endeavour to develop individual country-led strategic plans and development action plans that are comprehensive, realistic and prioritised; (2) INTOSAI will endeavour to achieve its own Strategic Plan; (3) Donors declare their commitment to respecting SAI country leadership, independence and autonomy in developing and implementing SAI plans; (4) Donors will endeavour to mobilise additional resources to develop and implement SAI plans, and (5) Donors declare their commitment … to deliver their support in a harmonised and coordinated manner. Principles 1, 2, 3 and 5 are based on the Paris Declaration 2005. Principle 4 was a conditional statement of intent, not a donor commitment.

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our conclusions whether the work during the present program period complied with these commitments:

Compliance with 2015 commitments

Commitment	Complied with commitment
The IDC would focus more on the key principles in the MoU	Yes
Establishing working groups to review and make recommendations on the pillars of the cooperation	Yes
Assess the IDC's role as custodian of the SAI Performance Measurement Framework in its prioritization of IDC activities	Yes, custodianship transferred to IDI
Improved cooperation with the INTOSAI Capacity Building Committee	Yes
More active participation of regional bodies in IDC	Yes
Development of a communications strategy	Yes
Development of a results framework	Yes
Development of a monitoring and reporting strategy	Yes

Thus, the Review Team is of the opinion that the Cooperation has fully complied with these commitments. However, as noted in our report there is still room for improvement when it comes to the results of the work that has been successfully started. Based on our analysis and conclusions we have in the next sub-sections summarized our concrete recommendations for the future development of the Cooperation.

Aid to PFM fell by 11% from 2014 to 2016. However, the share of aid to PFM that went to SAI development rose from 4.1% to 5.1%. This increased share may be attributed in part to IDC activities.

The Cooperation has an ambitious results framework for the period 2016-2018. It defines the results chain as: outputs-expected results-intermediate objectives-Cooperation objective-global objective**.** Progress is measured continually and reported accordingly.

The majority of the activities in the annual work plans for 2016 and 2017 were carried out. The INTOSAI-Donor Cooperation Performance Report, 2017 report on the results. Tables clearly show baseline data, milestones for 2017 and Cooperation targets for 2020 as well as achievements by 2017. Possible reasons for variances are cited in the annual Performance Reports. However, the weakness is absence of more comprehensive in-depth analysis on the reasons why milestones have been reached or not reached followed by proposed corrective actions. Especially when the results 2017 are even lower than the baseline of 2014 or 2015 an in-depth analysis of why the development goes in the wrong direction would be expected and necessary. As a consequence of the lack of analysis there are no conclusions or recommendations on actions to improve the performance nor any discussion on the likelihood that the targets for 2020 will be reached.

For two of the five expected results there are milestones and sufficient evidence on results available for 2017:

- In 2017, the donor support to SAI projects (average of the last three years) was 10% higher than in 2014, but 9% below the milestone.

- In 2007, the cumulative number of developing countries with a SAI performance report based on the SAI PMF framework was 20 % above the milestone.

The 2017 Work Plan included 16 outputs that were intended to increase donor financial support through the revamped GCP process. These outputs were achieved as planned, except for a few that depended on SAI requests for which no requests were received.

In the opinion of the Review Team the Global Call for Proposals (GCP) should be continued and intensified. However, there are three lessons here: (1) that the Secretariat is right to focus on success stories, rather than global indicators far outside their control, (2) that targets for such global indicators should be more realistic, and (3) that the GCP strategy needs re-thinking

The leadership structure is adequate as it gives the donor community and INTOSAI equal decision making power. Greater representation of developing country SAIs in the SC is not relevant. The purpose of SC meetings is not dialogue between donors and supported SAIs. The dialogue is intended to be between INTOSAI and the donor community.

The *composition* of the SC is well balanced and appropriate. However, the representation may be considered unbalanced as INTOSAI's representatives are at top management level but donors are represented at different levels.

1.3 Recommendations

In summary, the Review Team has the following recommendations:

➢ The Cooperation should establish a long-term strategic vision for example for the next ten years.

➢ The theory of change (logical framework) for the Cooperation should be further developed, especially when it comes to the interaction between the different levels of INTOSAI and the different levels of the donors´ organisations.

➢ Designing the new proposal for a programme document 2019-2021 should be finalised as soon as possible to minimise the expected gap in funding.

➢ The Cooperation should carry out more in-depth analysis of performance in order to initiate necessary actions to reach the targets for 2020. In addition, the targets for 2020 should be reviewed to make sure they are realistic in light of what has been achieved so far and the actions planned for the period up to 2020.

➢ The results framework should be prepared by the SC Leadership and approved by the SC.

➢ The funding base for the Cooperation should be broadened and it should be considered to finance the Secretariat through IDI's budget, for example as part of the core funding to IDI.

➢ It should be considered to integrate the Strategic Plan for the Cooperation as part of IDI's Strategic Plan.

➢ The division of responsibilities and mandates between the SC, the SC Leadership and the Secretariat should be further clarified especially when it comes to new strategic initiatives and setting the agenda.

➢ The role for INTOSAI regional and sub-regional bodies should be clarified and their role in learning processes and capacity development should be recognised.

➢ The cooperation as well as the division of responsibilities and mandates between IDI, CBC and IDC should be further clarified.

➢ In the present communication strategy communication activities targeted on parliaments in donor countries should be added.

➢ In the next communication strategy parliaments in developing countries should be considered one of the most important audiences of communications efforts.

➢ The database should be owned by the SAIs and each SAI solely responsible for obtaining and entering timely and accurate data on its capacity building projects.

➢ The costs and benefits of the database should be estimated one year after its upgrade and publication to establish whether it is providing value for money.

➢ The T1 procedure should be simplified to minimize the workload on SAIs for initial applications.

➢ The IDS should prioritise applications based on structured interviews with heads of SAIs to gauge their reform leadership and likelihood of success having regard to the political environment.

➢ The GCP should be opened up to allow T2 applications for donor support to regional and sub-regional bodies.

➢ The regional and sub-regional bodies should play a bigger role in the identification and formulation of projects in their member-SAIs in agreement with IDI and IDC.

2   Introduction

2.1 Background

The background to the Review is detailed in the Terms of Reference (Appendix 1).

2.2 Objectives of the Review

The terms of reference state two purposes and three objectives as listed below.

Purposes:
1. To assess Cooperation's performance in achieving the outcomes and objectives of the 2016-2018 Program Period, covering achievements in 2016 and 2017.
2. Provide recommendations and lessons learned that can be used in designing a new proposal for a programme document 2019-2021.

Objectives:
The Review will take into account the results of the independent evaluation (2015) and the INTOSAI-Donor Steering Committee's responses and have the following objectives:

1. To assess the success of the new strategies in achieving the objectives of the cooperation, in particular regarding:
   - The new arrangements for the Global Call for Proposals
   - The new monitoring and reporting strategy and results framework
   - Communication
   - The progress on the database and portal for the cooperation
   - The participation of regional bodies in the cooperation and the representation of developing countries in the cooperation
   - The Cooperation's engagement with other INTOSAI bodies

2. Review the design of the Cooperation against the MoU principles, and its performance including 2016 and 2017 results against the phase 3 program documents, annual work plans, functioning of the Secretariat and overall governance arrangements of the Cooperation.

3. Survey the INTOSAI and Donor communities' awareness of the MoU principles, and Cooperation contribution to this.

The evaluation covers the first two years of Phase 3 of the IDC Programme, January 2016 to December 2017.

2.3 Scope of the review

The review is limited to performance in the years 2016 and 2017. However, performance in the first few months of 2018 will also be noted.

2.4 The Review Team

INTOSAI Development Initiative (IDI) has on 20 April 2018 commissioned the Swedish management consultancy company Professional Management Arne & Barbro Svensson AB to carry out the Review. The Review Team comprises Dr. Tony Bennett (team leader) and Mr. Arne Svensson. QA has been executed by Ms. Lina Lenefors.

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2.5 Methodology

The ToR states the type of study to be conducted and the areas that should be studied. In order to ensure the full exploration of all the elements underlying the ToR, the Review Team has detailed for each assignment element the sources of information including the written documentation that is requested and the verification method that will be used.

2.5.1 General approach

The essence of a theory of change approach is the belief that the potential for impact is enhanced through an explicit understanding of:
- the long-term change sought – in this case improved accountability and transparency of the governments of developing countries through strengthened external audit;
- what needs to change and why;
- the context for change and others active in it, dynamics in the context; and,
- how and why a set of activities and outputs will help to stimulate outcomes that contribute to strengthened external audit.

We ensure that the voice of intended beneficiaries is taken into account in considering the relevance of underlying assumptions about change and how ownership is facilitated (or not) through the modality of support.

Quality assurance is embedded in our practices and is systematically built into this assignment. Our approach has been designed in accordance with standards for ensuring quality evaluation processes and products as detailed in OECD/DAC's Evaluation Quality Standards. We also adhere to the International Framework of Good Statistical Practice.

2.5.2 Methodology

The findings and recommendations are based on the triangulation of results obtained from all the above sources.

The budget for this Review did not include any site visits to stakeholders other than IDI at Oslo. The individuals to be interviewed using distance-spanning techniques have been identified in the Inception Phase. In the Inception Phase we had a dialogue with IDS on criteria for sampling and rationale, and the proposed sample. The questionnaires were sent to the interviewees before semi-structured interviews.

In the Inception report it was suggested that a sample of SAI support projects which have been funded through the GCP facility and are completed might be selected out of the 22 Concept Notes supported by the 2013 GCP. If practicable within the given timeframe, the relative success of these projects would be compared with a sample of other completed SAI-strengthening projects selected from the IDI Capacity Building Database. However, we found only 7 completed projects originating in the GCP at country level (LICs) in the SAI database. We could then select 7 completed projects from all the approximately 160 remaining, but obtaining and analysing the post-completion evaluation reports would take too much resources from other parts of the Evaluation (there is no link to these reports from the database), and it is doubtful if we could objectively assess the relative success of each project. Also there are too many political and other factors affecting "success" and the sample is small. The World Bank in 2017 undertook a review of 25 GCP 2011 and 2013 projects but were unable to reach a conclusion on whether GCP projects were more or less successful than other SAI-strengthening projects. We don't think the findings on a smaller sample would be convincing. Therefore we omitted this exercise.

The Inception report was submitted on 28 April 2018 and it was approved on 2 May 2018.

2.5.3   Reviewed Documents and Persons Interviewed

Evidence for the Review has been obtained through document reviews and interviews with key external and internal stakeholders, such as Secretariat staff, cooperation members and other relevant stakeholders to gather evidence on the Secretariat's work and reporting in order to assess the progress on implementing the strategies and achieving the objectives of the cooperation.

The review has involved:
(1)   desk study and analysis (review of relevant project documents);
(2)   face-to-face meetings with Oslo-based stakeholders;
(3)   Interviews by phone or skype with IDSC Leadership;
(4)   Interviews by phone or skype with Staff at IDI;
(5)   Interviews by phone or skype with Staff at IDC;
(6)   Interviews by phone or skype with Funding Donors;
(7)   Interviews by phone or skype with INTOSAI General Secretariat and the heads or deputy heads of INTOSAI bodies relevant to the IDC goals;
(8)   Interviews by phone or skype with INTOSAI regional/sub-regional organisations; and
(9)   Interviews by phone or skype with representatives of the donor community
(10) Presentation of a zero draft report to the Secretariat and a SC Leadership teleconference on 20 June and initial feed-back.

In addition, we have had contacts with representatives of global organizations of national parliaments or MPs, such as the Inter-Parliamentary Union (IPU) and Parliamentarians for Global Action (PGA) to get their view of trends and tendencies in the context in which SAIs operate.

At the Inception meeting the Review Team and the Secretariat identified almost 50 persons to be invited to share their opinions and ideas by interview. They were informed about the Review by the Secretariat. The Review Team sent them three emails asking for time slots for interview and the Secretariat sent out a reminder. Approximately 35 persons were able to allocate time for an interview and were interviewed during the period of 26 April – 4 June 2018. A list of persons interviewed is attached (Annex 2). These interviews offered an invaluable insight on different aspects of the Cooperation. A list of documents reviewed is attached (Annex 3).

2.6   This Report and How to Read it

The findings, preliminary conclusions and preliminary recommendations are presented in this Second Draft Report that is submitted to the Secretariat as agreed on 29 June 2018 for comments by the SC Leadership.

This Draft Report is divided into six sections as follows:
- The Executive Summary in section ONE contains the overall conclusions and the recommendations.
- Section TWO is introductory.
- Section THREE elaborates on the Phase 3 programme - objectives and their alignment with the MoU, results framework (components, activities, indicators and expected results by output and outcome, programme logic/theory of change, assumptions and risks).
- Section FOUR assesses performance in 2016 and 2017, annual work plans and reports of actual performance, variance analysis, feed-back.

- Section FIVE focuses on governance arrangements.
- Section SIX is concerned with future directions, options and recommendations.

The various sections of the Report answer questions pertinent to the overall purpose of the Review and the elements stipulated therein. At the end of each section the Review Team has summarized the analyses and drawn some conclusions. Based on the conclusions, the Review Team provides recommendations at the end of section six.

3   The Programme to be reviewed

Recognizing the importance of well-functioning, multidisciplinary and independent SAIs, and that support to SAIs from both the INTOSAI and Donor communities could be more effective, the International Organization of Supreme Audit Institutions (INTOSAI) and 15 Donors signed a landmark Memorandum of Understanding (MoU) to augment and strengthen support to SAIs in developing countries in 2009. Since then, a further eight donor organizations have signed the MoU. Phase one of the Cooperation ran from June 2010 to December 2012 and phase 2 ran from 2013 to 2015. Phase 3 runs from 2016 to 2018.

This section elaborates on the Phase 3 program - objectives and their alignment with the MoU and the results framework.

3.1 Observations

3.1.1   Program Document for 2016-2018

Phase 3 of the INTOSAI-Donor Cooperation started in 2016, guided by a Program Document for 2016-2018. The Cooperation seeks to improve SAI performance through scaling-up and increasing the effectiveness of support to SAIs.

The new results framework was finalized in early 2017. The 2016 and 2017 performance reports are both based on this framework.

The point of departure for the new results framework is the Program Document that identifies the following six components for the Cooperation program in Phase 3, each comprising a number of activities with outputs which are defined in detail as part of annual work programs.
1. Strategic Reviews of Cooperation Initiatives
2. Increased Funding for SAI Capacity Development
3. Research, Guidance and Training on Donor Aid Practices and Dissemination
4. Outreach and Linkages to All High Priority Stakeholders
5. Upgrade of the SAI Capacity Development Database and Support for the Global Survey
6. Support for Finalizing SAI Performance Measurement Framework (SAI PMF) and Future Implementation and Maintenance Strategy

Two further program components – but not outputs – are:
7. Effective Governance and Program Management
8. Monitoring and Evaluation of Achievement of Results and Objectives

During the Program period, the Cooperation's role in relation to SAI PMF has changed as the role of global coordination and support for the SAI PMF has been transferred from the INTOSAI-Donor Secretariat to the IDI, effective January 2017. Also, funding for SAI PMF implementation is no longer channelled through the Cooperation's budget. Members of the Cooperation will retain a role as
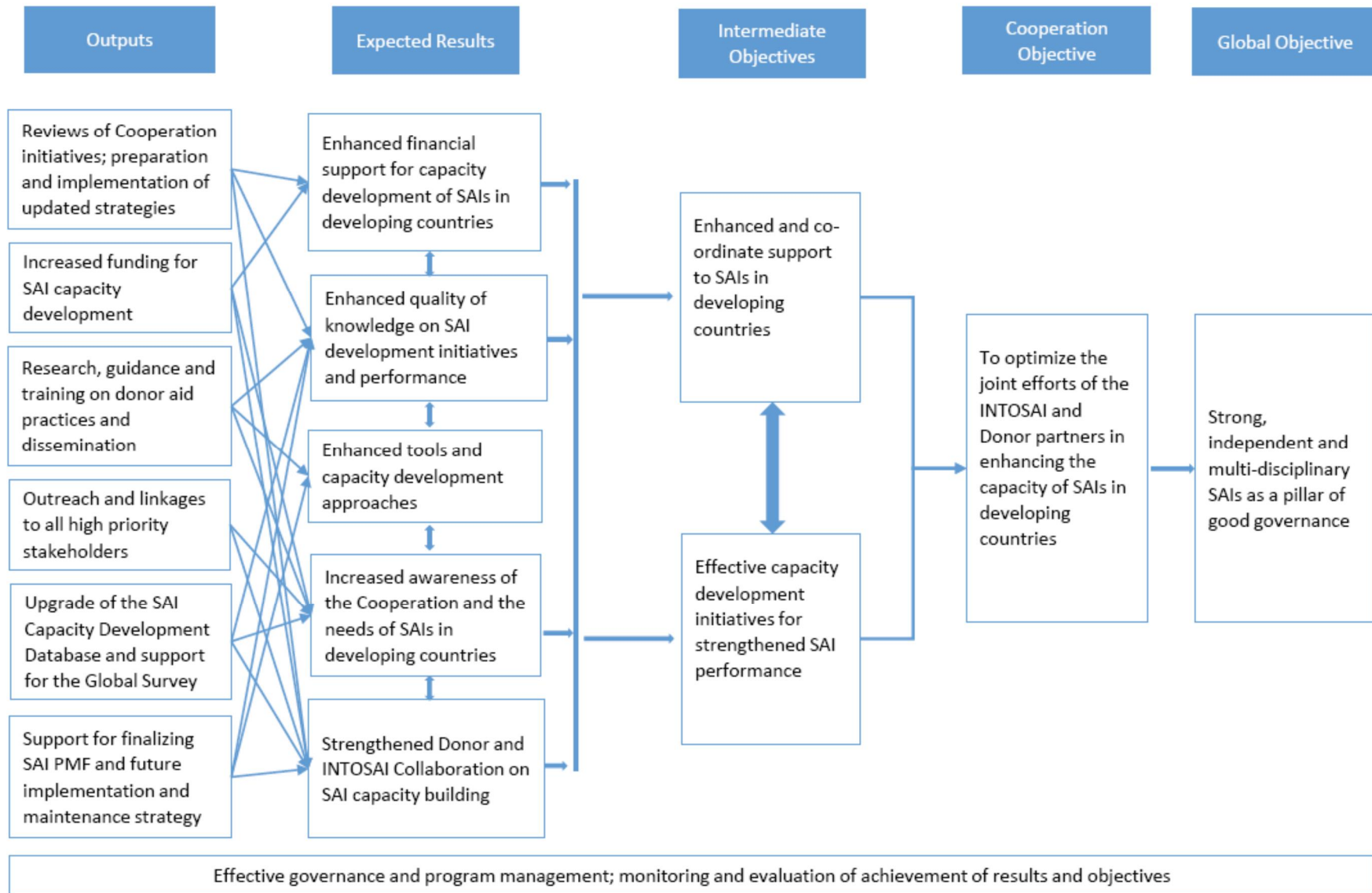
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members of the SAI PMF advisory group, and it is expected that the Framework will be used as the preferred global framework for assessing SAI performance. As a result, the Results System retains some indicators at the level of expected results relating to SAI PMF assessments, but does not include output indicators on the global coordination and support role beyond 2016.

3.1.2   Results System and Framework for Results Reporting

The Program Document for 2016-18 included a draft results framework and a draft performance measurement system for the Cooperation. These were reviewed by the SC working group on Results, which decided to keep the results framework (showing the overall logical framework of the results at different levels), but to revise the performance measurement system. The new results system was presented at the 9th SC meeting in Cape Town in October 2016. The Steering Committee provided further guidance and endorsed the revised Results System, confirming that it was simplified, more focused on the MoU principles, relevant and feasible. The Steering Committee stressed the importance of further developing the narrative around reporting on results, to demonstrate the contribution made by the Cooperation to outcomes and impact. The revised Results System was approved by the SC Leadership in December 2016. The results system will be reviewed and endorsed annually by the SC.

The diagram below shows the results framework for the Cooperation for the period 2016-2018. It defines the results chain as: outputs-expected results-intermediate objectives-Cooperation objectives-global objective. It recognizes the wider environment in which the Cooperation operates. The results system facilitates monitoring, reporting and evaluation of the Cooperation, including its relevance and contribution to sustainable performance improvements in SAIs, and ultimately the contribution of SAIs to Sustainable Development Goal 16.6: Develop effective, accountable and transparent institutions at all levels. The components of the results system are indicators, baselines, milestones and targets at relevant levels of the results chain. The monitoring of results in 2016 is included in section 2 of the Performance and Financial Report 2017[2], updated to show actual achievement against milestones as at 31 December 2017. Milestone dates for output indicators are annual, the first milestone date being 31 December 2016. Milestone dates for indicators measuring achievement of the Cooperation objectives, intermediate objectives, expected results and the global objective are mostly every second or third year, the first being 31 December 2017. Baselines are drawn from relevant sources, including the INTOSAI global surveys, relevant SAI PMF and PEFA data, and reports from earlier phases of the Cooperation.

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[2] Final Performance and Financial report, dated 27 June 2018.

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Effective governance and program management; monitoring and evaluation of achievement of results and objectives

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Several interviewees – and also documents from the Cooperation – underline that it is important to explicitly recognize the difference between the Cooperation's contribution to the results, and attribution. The results at the levels of outputs, expected results and intermediate objectives are (fully or in part) attributable to the Cooperation, whereas there are many other factors influencing the achievement of the Cooperation objective and the global objective. For these, the Cooperation therefore only contributes to the results. Whereas the indicators measuring the results that are attributable to the Cooperation are useful for evaluating the program's economy, efficiency and effectiveness, the indicators measuring the Cooperation and global objectives provide information on important factors which are beyond the direct control of the Cooperation, but which may guide the overall direction of the Cooperation. The results system tracks the global objective indicators informally during the third program period, with the intention of including them (or revised versions of them) in the results framework in the next program period.

The Cooperation measures the levels of support to SAIs globally. The annual financial support for SAI capacity development fell slightly from 2016 to 2017, as measured through the SAI Capacity Development Database. It was 68.4 million USD in 2017. The percentage of developing countries benefitting from a substantial capacity development initiative (in size or duration) fell to 39 % in 2017 from 41 % in 2016. It is unlikely the change is significant given challenges with the database accuracy cited and questions about causality and linkages with the Cooperation.

The new round of Global Call for Proposals was launched, consisting of a rolling process for most SAIs (Tier 1) and a targeted support mechanism for selected Challenged SAIs (Tier 2). Tier 2 was the highest priority activity starting from May 2017. By the end of the year, nine SAIs had been selected and received expressions of interest through both SAI and donor channels.

A communications strategy for the Cooperation was developed in 2016, recognizing that outreach through the Cooperation's network is critical for achieving more effective capacity development. The Cooperation developed and launched a new communication package in 2017 and increased its outreach activities by opening social media accounts and scaling up meeting activities with INTOSAI regional bodies.

The transfer of the SAI PMF unit to IDI (operationally) and CBC (governance role) was completed at the beginning of 2017, with the Secretariat supporting the transition, especially during the first quarter.

The majority of the other tasks on the Cooperation's 2017 work program were completed as planned. Details on this, as well as on results, financing and budget execution in 2017, are presented in this report. The Performance and Financial report is prepared annually and shared with the SC.

3.1.3   The INTOSAI-Donor Cooperation Performance

The cooperation objective is to optimize the joint efforts of INTOSAI and Donor partners in enhancing the capacity of SAIs in developing countries. Cooperation Objective indicators are used for monitoring the overall performance improvement of SAIs. Such high-level performance changes are the result of all forms of SAI capacity development and cannot be attributed solely to the INTOSAI-Donor Cooperation.

The INTOSAI-Donor Cooperation Performance Report, 2017 reports on the results when it comes to (1) data on Cooperation Objective Indicators, (2) the achievement of milestones towards the intermediate objectives and expected results; these are results partly attributable to the

Cooperation, and (3) the achievement of outputs. Annex to the INTOSAI-Donor Cooperation Performance Report, 2017 provides the full report of achievement of the 2017 work plan.

The Performance Report, 2017 also summarises performance against the four intermediate objectives and expected results indicators in the results system that have defined milestones for 2017.

The performance is analysed in section 4.

3.2   Analysis and Conclusions

The cooperation objective is to optimize the joint efforts of INTOSAI and Donor partners in enhancing the capacity of SAIs in developing countries. The first commitment based on the evaluation 2015 was that the IDC would focus more on the key principles in the MoU. As noted above key results indicators are aligned with the key principles in the MoU. Thus the Review Team's assessment is that IDC has complied with the first commitment.

The results at the levels of outputs, expected results and intermediate objectives are said to be (fully or in part) attributable to the Cooperation, whereas there are many other factors influencing the achievement of the Cooperation objective and the global objective. Cooperation Objective indicators are used for monitoring the overall performance improvement of SAIs.

In the Review Team's opinion the Results System and Framework for Results Reporting is adequate. However, we believe the Secretariat overstates the controllability by IDS, or even by IDI as a whole, of some of these indicators. One example is ER 1 (mobilisation of additional donor funding). Obviously there are many exogenous factors influencing the level of donor funding, for example the global economy and the priorities set by national parliaments.

4   Performance

In this section the Review Team has assessed the performance of the Programme under review. The section assesses performance in 2016 and 2017, annual work plans and reports of actual performance, variance analysis and feed-back. The data are compiled from the SAI Capacity Building Database, which is facing challenges on the comprehensiveness and accuracy of inputs (biannual updates). The limited causality between some of the indicators and the Cooperation should also be noted.

4.1 Observations

4.1.1   Findings in earlier evaluations

Five years after the start of the INTOSAI-Donor Cooperation an independent evaluation of this initiative was launched. The evaluation was meant to serve as an evidence base to inform and improve the future design of the Cooperation and the decision-making process related to it. The 2015 evaluation concluded that the Cooperation is still relevant as SAIs in developing countries have an important role to play and their capacities need further enhancement. While it was at that time still too early for firm conclusions regarding the overall effectiveness of the Cooperation, there was some evidence of positive changes in behaviour both among SAIs and donors; there is more demand-driven support based on strategic plans, better coordination among donors, and better use of peer-to-peer support. However, the evaluation also showed that there was room for

improvement: donors can better coordinate their support and policy dialogue and improve their internal communications, and SAIs can pay more attention to complementarity of support and better linking of various types of support.

The INTOSAI-Donor Secretariat also commissioned a synthesis of evaluations of SAI capacity development programs to learn lessons regarding the design and implementation of SAI capacity development initiatives and improve the future evaluation of such initiatives. The 2015 synthesis provided cross-country evidence on the fundamental importance of ownership by the beneficiary SAIs, alignment of the initiative's design with broader PFM reforms, results frameworks including baseline data, and prior consideration of exit strategies to secure sustainable change. It further noted that the evaluation criteria of sustainability and impact were not addressed in most evaluations; that evaluations foreseen at the design phase of the project turned out to be of higher quality; and that the terms of reference for an evaluation were crucial to high quality evaluations.

The synthesis recommended further work to ensure evaluations are foreseen at the project planning stage and to make better use of performance measurement frameworks and completion of baseline assessments to improve the evaluability of future projects and strengthen lesson learning. The INTOSAI-Donor Secretariat has taken forward these recommendations through the development of guidance on better evaluations of SAI capacity development programs, capturing the characteristics unique to the provision of capacity development support for SAIs.

4.1.2   Progress during present program period

This section compares actual performance at the end of 2017 with the baseline and 2017 target for each of the Expected Results and Intermediate Objectives. Section 4.1.3 compares performance with baseline and targets for the Cooperation Objectives, and 4.1.4 does the same at Output level.

Table 1: Expected result 1. Enhanced financial support for capacity development of SAIs in eligible countries

Indicator	2014 baseline	End 2017 milestone	End 2017 actual	2018 target
1.1 Moving three-year average annual financial support for the benefit of SAIs in ODA eligible countries	$62 million*	$75 million	$68.4 million	$80 million
1.2 Value of projects approved under the SAI Capacity Development Fund (dropped from revised system)	NA	Discontinued		

*According to the IDI Results Framework outcome indicator IO4.1, the baseline figure is $55 million (IDI Performance Report 2017, p.81)

In 2017, the donor support to SAI projects (average of the last three years) was 10% higher than in 2014, but 9% below the milestone.

The data are compiled from the SAI Capacity Building Database, which is facing challenges on the comprehensiveness and accuracy of inputs (biannual updates). The 2017 Performance and Financial Report says that donors may be under-reporting. As the level of under-reporting was probably higher in the base year, the actual trend may be flatter than it looks. The figures do not include any additional donor support from the GCP 2017, which was too recent to have results at this stage. The SAI Capacity Development Fund that was established in 2014 approved funding for two new projects (Nicaragua and Sierra Leone). The SAI-CDF was closed to new projects from September 2017 due to lack of donor funding.

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In 2016 IDC developed a new approach for the Global Call for Proposals. The GCP was split into two tiers: tier 1 is for proposals for SAI capacity development in any developing country or region at any time. Tier 2 provides targeted support to a limited number of the most challenged SAIs. A new round of GCP, the first since 2013, was launched in 2017. Great effort was put into the tier 2 initiative. A Tier 2 committee was established in April 2017 and guidance on submission of proposals was drafted and issued. The number of SAIs invited to participate in the initiative was narrowed from 22 to nine. All of these were in sub-Saharan Africa, though this region includes about half of the countries classified as fragile or conflict-affected. The relevant regional bodies (AFROSAI-E and CREFIAF), which might have assisted in the scoping work on tier 2 SAIs, were represented on the Tier 2 Committee only from 30 August 2017. It appears that ARABOSAI, ASOSAI, CAROSAI, OLACEFS and PASAI were not involved.

The IDS collected expressions of interest from several donors and held the first meeting with the selected nine SAIs in Namibia in October 2017. All proposals complied with the MoU principles.

Tier 1 was launched as a multi-stage process whereby SAIs submit concept notes to the IDS and receive feedback on how these can be made acceptable to donors. They are then circulated to possible donors and other providers of support (such as advanced SAIs that have the capability) who can express their interest. Donors then go through their own diagnostic and approval routines. In 2017 the IDS received and reviewed three proposals, one of which was finalized by the SAI and published but donor funding commitments had not been made by the end of 2017. The process has been criticised by stakeholders as taking too long: one case under the 2013 GCP took 18 months. Some regional bodies have their own contacts with donors, such as OLACEFS, and can quickly get approval without going through the GCP. The low response to the tier 1 invitation has also been attributed to the fact that SAIs are no longer given fixed dates to submit their proposals, so they are not given sufficient priority.

Table 2: Expected result 2. Enhanced quality of knowledge on SAI development initiatives and performance

Indicator	2015 baseline	End 2017 milestone	End 2017 actual	2018 target
Cumulative number of developing countries with a SAI performance report based on the SAI PMF framework (revised system)	16	30	36	45

Responsibility for the PMF Framework was transferred to IDI from January 2017. IDS continued to advise on its implementation and a lot of staff time in early 2017 was spent assisting IDI with the transition.

In the Program Document, the target for 2016 was 30 developing countries and 4 developed countries. In the revised system, the indicator was limited to developing countries and the 2016 target reduced to 20. According to IDI records of SAI-PMF pilots, by end-2016, 19 countries had completed PMF assessments (at least up to draft stage), so the target was close to being achieved. The target for 2017 was reduced from 40 developing countries to 30, and in fact, 36 countries had PMF reports by end-2017 so the reduced target for 2017 was comfortably exceeded.

The Program Document included three other indicators under this ER: (1) Percentage of IDC capacity development initiatives meeting prescribed quality measures; (2) Number of developing countries with an (SAI) strategic plan based on an SAI-PMF or similar; (3) Number of cross-country studies/reviews/evaluations of what works in SAI capacity development published and

disseminated. No targets were set for 2016 and these indicators were dropped in the revised system.

Table 3: Expected result 3. Enhanced tools and capacity development approaches

Indicator	2015 baseline	End 2017 milestone	End 2017 actual	2018 target
Status of SAI PMF within INTOSAI	pilot	Endorsed by Congress	NA	NA

The Program Document included one other indicator under this ER: Percentage of developing countries (with an SAI PMF report) in which the report is used as the primary needs assessment and performance monitoring document by all stakeholders. No target was set for 2016 and this indicator was dropped in the revised system.

In the revised system, no target was set for 2017 and no achievements are shown in the 2017 Performance and Financial Report as the triennial communications survey is planned for 2018.

Table 4: Expected result 4. Increased awareness of the Cooperation and Collaboration on SAI capacity development

Indicator (revised)	2015 baseline	End 2017 milestone	End 2017 actual	2018 target
Percentage of survey respondents stating that they are fully/ significantly aware of: 1. The nature of the Cooperation as a Strategic Partnership 2. The Cooperation's main outputs 3. The MoU principles, as stated in the Communications Strategy	N/A	No target set	No information	75%

Note: Only the cooperation objectives have long-term targets for 2020. Intermediate objectives and expected results are 2018 targets.

The Program Document contained two indicators under this ER: (1) Percentage of key country level stakeholders confirming awareness of the key results of IDC (a) heads of SAIs, (b) donor staff; (2) Percentage of new IDC initiatives for which the program design makes use of Global Surveys or SAI PMF reports. No targets were set for 2016 and these indicators were replaced by the indicator above in the revised system.

As IDC sees itself as a separate entity from IDI, it is important to publicise itself and to promote awareness of its nature as a strategic partnership and of its outputs. The Review Team question whether this might be replaced by an awareness of IDI as a whole and the services it provides. The three MoU principles underlie all IDI programs and should be promoted as good practice generally, not just in the IDC context. The IDI is preparing a communications strategy, and this could include communications with donors.

Table 5: Expected result 5. Strengthened Donor and INTOSAI collaboration on SAI capacity building

Indicator (revised)	2014 baseline	End 2017 milestone	End 2017 actual	2018 target
Percentage of developing countries with an established donor coordination group to facilitate coordination of support to the SAI, in which all providers of support participate (MoU principle) a) As reported by SAIs b) As reported by donors	(a) 35% (b) N/A	50% 50%	47% N/A*	NA

*Only one donor responded to a sample survey. This was insufficient evidence.

According to the 2017 SAI Global Survey, 47% of developing countries have established coordination groups in which all providers of support to SAIs participate. This is a big advance on the position in 2014. The slight shortfall on the 2017 milestone is not significant. It is not clear why no target is set for 2020.

Table 6: Intermediate objective 1. Enhanced and coordinated support to SAIs in developing countries

Indicator (revised)	2015 baseline	End 2017 milestone	End 2017 actual	2018 target
(a) Cumulative number of significant capacity development initiatives originating from the Global Call for Proposals and/or funded through the SAI CDF (i.e. exceeds $0.3 million for the SAI, and/or has a duration of 2 years or longer)	38	55	46	65
(b) Percentage of developing countries which, in the year in question, have participated in / benefitted from a significant capacity development initiative (i.e. exceeds $0.3 million for the SAI, and/or has a duration of 2 years or longer)	51%	60%	39%	65%

(a) Shows a progressive increase but 16% short of target, due to delay in GCP 2017.
(b) Reflects a global decline in support to SAIs, possibly accentuated by reclassification of countries on their eligibility for ODA.

Table 7: Intermediate objective 2. Effective capacity development initiatives for strengthened SAI performance

Indicator (revised)	2014 baseline	End 2017 milestone	End 2017 actual	2018 target
Percentage of capacity development initiatives originating from the Global Call for Proposals and/or funded through the SAI CDF, which are aligned with the strategies of participating SAIs, designed based on a robust needs assessment, and (where relevant) evaluated as fully or substantially achieving their purpose (MoU Principle)				
(a) Global and regional initiatives	100%*	(a) 80%	(a) 100%	NA
(b) Bilateral initiatives		(b) 80%	(b) 100%	

*Baseline (from a small sample) does not distinguish global, regional and bilateral initiatives

The new round of Global Call for Proposals was launched, consisting of a rolling process for most SAIs (Tier 1) and a targeted support mechanism for selected Challenged SAIs (Tier 2). Tier 2 was the highest priority activity starting from May 2017. By the end of the year, nine SAIs had been selected and received expressions of interest through both SAI and donor channels. All projects based on GCP or SAI-CDF assessments were fully compliant with MoU principles. It is expected that this will continue to be the case. No targets were set for 2020.

4.1.3   The INTOSAI-Donor Cooperation Performance

The Cooperation objective is to optimize the joint efforts of INTOSAI and Donor partners in enhancing the capacity of SAIs in developing countries. Cooperation Objective indicators are used for monitoring the overall performance improvement of SAIs. Such high-level performance changes are the result of all forms of SAI capacity development and cannot be attributed solely to the INTOSAI-Donor Cooperation.

The INTOSAI-Donor Cooperation Performance Report 2017 reports on the results when it comes to (1) data on Cooperation Objective Indicators, (2) the achievement of milestones towards the intermediate objectives and expected results; these are results partly attributable to the Cooperation, and (3) the achievement of outputs. Annex to the INTOSAI-Donor Cooperation Performance Report, 2017 provides the full report of achievement of the 2017 work plan.

Cooperation Objective Indicator CO1 on Transparency of Audit Reports uses two measures: a) Percentage of developing country SAIs reporting that at least 80% of their completed audit reports were made available to the public in the previous financial year; and b) Percentage of developing country SAIs reporting that they did not make any reports public in the previous financial year.

The Table below shows that the milestones are not achieved. According to interviewees this is due to the general tendency of less acceptance of SAI independence in many countries.

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Table 8: Cooperation Objective Indicator CO1: Transparency of Audit Reports

Indicator	Baseline 2014	Milestone 2017	Achieved 2017	Target 2020
a) Percentage of developing country SAIs reporting that at least 80% of their completed audit reports were made available to the public in the previous financial year.	48 %[3]	50 %	39 %	60 %
b) Percentage of developing country SAIs reporting that they did not make any reports public in the previous financial year.	15%	10 %	37 %	5 %

The Global Survey showed that the transparency of SAI reporting was below the target for 2017 and that far more SAIs than expected admit that they have not published reports. This can be viewed in the context of the global trend of democratic backsliding, where many countries' performance on more macro democratic and transparency indicators are worsening. These trends present a challenge to the INTOSAI community and its supporters in promoting the role and duties of SAIs and accountability institutions.

The Cooperation Objective CO2 is about ISSAI implementation.

Table 9: Cooperation Objective Indicator CO2: ISSAI implementation

Indicator	Baseline 2015	Milestone 2017	Achieved 2017	Target 2020
Total number and percentage of developing country SAIs that have undergone a SAI PMF assessment and have reached the following SAI PMF scores in their journey towards ISSAI implementation: **Financial Audit Process** a) *SAI PMF assessment score of 2 or higher on SAI-12 [Pilot version] or SAI-10 [Endorsement version]*	(a) 7(54%)	None	11 (52%)	Tbd
Performance Audit Process b) *SAI PMF assessment score of 2 or higher on SAI-16 [Pilot version] or SAI-13 [Endorsement version]*	(b) 7(54%)	None	10 (48%)	Tbd
Compliance Audit Process c) *SAI PMF assessment score of 2 or higher on SAI-14 [Pilot version] or SAI-16 [Endorsement version]*	(c)6 (46%)	None	11 (55%)	Tbd

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[3] The baseline has been corrected from 70% in a prior version of the results matrix. 70% was the figure for all countries globally, including high income countries. The milestones and targets have been adjusted accordingly, from 75% and 80% respectively.

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Table 10: Cooperation Objective Indicator CO3: Strategic Planning

Indicator	Baseline 2015	Milestone 2017	Achieved 2017	Target 2020
Percentage of developing country SAIs with a high quality strategic planning cycle **(MoU Principle)**				
a) Measured by SAI PMF assessment score of 3 or higher on SAI-8 [Pilot version] or SAI-3 [Endorsement version];	38%	48%	28%	60%
b) Measured by answers to questions in the INTOSAI Global Survey	N/A	60%	30%	75%

Table 11: Cooperation Objective Indicator CO4: Audit Coverage

Indicator	Baseline 2014	2017 target	2017 actual	2020 target
Percentage of SAIs in developing countries[4] meeting the following 'audit coverage' criteria for each audit discipline: ***Financial audit:*** at least 75% of financial statements received are audited (including the consolidated fund / public accounts or where there is no consolidated fund, the three largest ministries)	LDC&OLI 69% LMI 69% UMI 66%	72% 72% 69%	71% 60% 69%	75% 75% 72%
Performance audit: on average in the past three years, the SAI has issued at least ten performance audits and/or 20% of the SAI's audit resources have been used for performance auditing	LDC&OLI 38% LMI 44% UMI 55%	41% 47% 58%	32% 58% 49%	44% 50% 61%
Compliance audit: the SAI has a documented risk basis for selecting compliance audits that ensures all entities face the possibility of being subject to a compliance audit, and at least 60% (by value) of the audited entities within the SAI's mandate were subject to a compliance audit in the year	LDC&OLI 57% LMI 64% UMI 59%	60% 67% 62%	48% 54% 69%	63% 70% 65%

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[4] Classification based on OECD-DAC classification effective for reporting on 2012 and 2013 flows. LDC = least developed countries. OLI = other low income countries. LMI = lower middle income countries. UMI = upper middle income countries.

Performance on this indicator is mixed. Least developed and other low income countries slightly improved their financial audit coverage, but the coverage of performance audit and compliance audit dropped sharply. LMI countries appear to have dramatically improved their coverage of performance audit (from 44% in 2014 to 58% in 2017), but other audits were dropped. These variations are not explained.

4.1.4   Outputs and Progress against the Work Plan Themes

The INTOSAI-Donor Cooperation Performance Report, 2017 also reports on the 2017 work plan (output indicators). The first six output indicators relate to the Cooperation's Program components, each comprising a number of activities with defined outputs which are defined in detail as part of annual work plans. The last output indicator relates to program management and monitoring and evaluation. The 2017 work plan was approved by the SC Leadership in March 2017. The progress on each of the activities in the 2017 work plan is presented in Annex A to the INTOSAI-Donor Cooperation Performance Report, 2017 and is summarised here.

Table 12: Output indicator O1: Reviews of Cooperation initiatives; preparation and implementation of updated strategies

Indicator	Baseline 2015	2017 Milestone	2017 Actual	2018 Target
Number of SC working groups delivering their expected outputs, as follows: • SAI PMF: recommendation on future role of the Cooperation • Global Call for Proposals: recommendation on strategic direction • SAI Capacity Development Database: recommendation on strategic direction • Results: Performance Measurement System finalised • Communications: Communications strategy finalised	N/A	N/A	N/A	N/A

All five working groups completed their reports in 2016.

Table 13: Output indicator O2: Increased funding for SAI capacity development

Indicator	Baseline 2015	2017 Milestone	2017 Actual	2018 Target
Establishment and renewal of mechanisms to enhance access to SAI capacity development support, for SAIs, regional bodies and INTOSAI bodies: a) Global Call for Proposals redesign and launch	Not operating	Launched	Launched	Tbd
b) SAI Capacity Development Fund (SAI-CDF)	Established	Additional contributions received	N/A	N/A

The GCP was re-designed and launched in 2017 (see section 6.1 below).

The SAI-CDF was established in 2014. SECO pledged US $5.2 million, but no other donors supported the Fund. Eleven projects were supported, which exhausted the Fund. The World Bank announced at the SC meeting in DC in September 2017 that it would discontinue the SAI CDF. Its ongoing projects will be completed.

Table 14: Output indicator O3: Research, guidance and training on donor aid practices and dissemination

Indicator	Baseline 2015	2017 Milestone	2017 Actual	2018 Target
a) Paper on an issue relevant for SAI-donor policy dialogue developed, published and disseminated	None	One paper published	Coordination paper published	N/A
b) Study of effective approaches to supporting SAI capacity development published and disseminated *(specific topic(s) to be defined by the Steering Committee)*	None	TOR developed	NA – no paper requested by SC	One paper published

A paper was produced on donor coordination in SAI capacity development.

Table 15: Output indicator O4: Outreach and linkages to all high priority stakeholders

Indicator	Baseline 2015	2017 Milestone	2017 Actual	2018 Target
Status of the IDC Communication Strategy	None	Implemented	Implemented	Evaluated

The IDC Communication Strategy was developed and approved in 2016. Its implementation in 2017 is described in section 5.1.11 below.

Table 16: Output indicator O5: Upgrade of the SAI Capacity Development Database and support for the Global Survey

Indicator	Baseline 2015	2017 Milestone	2017 Actual	2018 Target
Status of the IDC Portal	SAI CD database in operation	Launch of the Portal	Launched (January 2018)	Fully operational

During 2017 the Secretariat continued to maintain the database and oversaw one half-yearly update of project information. The database had to be shut down to finalize its integration within the Portal during the second half of the year. By the end of 2017 the new database page had been updated and the registration process for projects had been streamlined with the intention of making the user´s experience easier and faster. At that time 523 projects had been registered. The way the user navigates through the database and finds project information, as well as the way the user can register new information, have been improved.

The Secretariat also provided support to IDI in the implementation of the 2017 INTOSAI-wide global stocktake on SAI performance and needs as planned.

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Table 17: Output indicator O6: Support for finalising SAI PMF and future implementation and maintenance strategy

Indicator	Baseline 2015	2017 Milestone	2017 Actual	2018 Target
Status of SAI PMF Strategy	Strategy options paper drafted	SAI PMF Advisory Group established and functioning	Achieved	NA

4.2 Analysis and Conclusions

Donor disbursements to SAI capacity building projects in developing countries appear to have remained about the same in recent years. It would be expected that, even without IDC activities, inflation would increase the amounts committed and disbursed by donors.

The global total each year is strongly affected by trends in the volume and composition of ODA and its sectoral composition. It should be remembered that the strengthening of SAIs is only a part of the total architecture of accountability and transparency.[5] A decline in support to SAIs may be due to a switch of support to strengthening internal audit or parliamentary oversight, particularly in countries where the SAI is strong, its recommendations are numerous and more than the executive (or parliament) can handle. Donors may also prefer to strengthen executive processes such as integrated budgeting and financial information systems rather than oversight. Getting PFM processes right first time is far more efficient than allowing them to fail and reporting the failures.

The OECD/DAC International Development Statistics include ODA to public financial management as a separate category. The Table below shows that aid to PFM fell by 11% from 2014 to 2016. One possible contributory factor is a decline in support to middle income developing countries as they matured and lost ODA eligibility.

However, the share of aid to PFM that went to SAI development rose from 4.1% to 5.1%. This increased share may be attributed in part to IDI and IDC activities.

Table 18: ODA to public financial management and to SAIs (US$ millions)

	2013	2014	2015	2016	2017
Aid to PFM per OECD/DAC	1392.3	1510.4	1330.2	1345.3	NA
Aid to SAIs per IDC database		62		69	68.4
Share of SAIs in PFM as a whole		4.1%		5.1%	

The 2017 Work Plan included 16 outputs that were intended to increase donor financial support through the revamped GCP process. These outputs were achieved as planned, except for a few that depended on SAI requests for which no requests were received. Some outputs were one-off reviews of particular strategies prompted by the 2015 evaluation. The assumptions that the outputs would increase donor funding were perhaps more valid in the long term than the short term. The Secretariat expects better performance in 2018.

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[5] Recommendations on the sequencing of PFM reforms usually focus on core PFM functions. The PEFA (2013) Guidance INTOSAI on Sequencing Reforms, Background Paper 2, The Core PFM Functions by Daniel Tommasi (available at pefa.org) includes external audit as one of 25 areas for which target PEFA scores are set. The target score on PEFA indicator 26 is only a C (using 2011 framework).

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Since 2009, there has undoubtedly been a change of donor attitudes toward the IDC and toward SAI capacity development funding in general. It does not appear that donors are now willing to establish any kind of basket fund (like the former SAI Capacity Development Fund): they prefer to retain a measure of participation in the selection and management of the projects they support. Donor agencies also have needs: they have to meet the expectations of their own constituencies. The comments on donor core funding of IDS (see below at 5.1.9) apply here also.

It is recognised that financial support by donors is outside the control of IDC, that at best this outcome can only be 'influenced' by IDC activities. A good knowledge of changing SAI needs coupled with a good knowledge of changing donor needs should surely result in more matches than otherwise. This is the justification for much IDC activity and is an essential component of IDI overall strategy. In the opinion of the Review Team the GCP should be continued and intensified. However, there are three lessons here: (1) that the Secretariat is right to focus on success stories, rather than global indicators far outside their control, (2) that targets for such global indicators should be more realistic, and (3) that the GCP strategy needs re-thinking.

The evaluation of the Cooperation in 2015 found evidence that donor and INTOSAI behaviour has improved in accordance with the MoU principles, although it was not possible to determine to what degree this can be attributed to the Cooperation as such. Support provided was increasingly aligned behind SAI strategic plans, and coordination of support had improved, although challenges remain.

IDC has identified the risk of insufficient, credible global and regional information on SAI performance and results from SAI capacity development initiatives to demonstrate the results and achievements of the Cooperation. In the risk register the likelihood is assessed as medium and the impact high. One mitigating measure is collaboration between partners that also need such global and regional information. Our conclusion is that parliamentarian organisations such as the Inter-Parliamentarian Union (IPU) and global organisations for MPs such as Parliamentarians for Global Action (PGA) would be of interest for more in-depth collaboration. According to many interviewees the issue of independence of SAIs has not been adequately addressed by the Cooperation.

As noted above in section 3 the Cooperation has an ambitious results framework for the period 2016-2018. It defines the results chain as: outputs-expected results-intermediate objectives-Cooperation objective-global objective**.** Progress is measured continually and reported accordingly. The INTOSAI-Donor Cooperation Performance Report 2017 reports on the results. Tables clearly show baseline data, milestones for 2017 and targets for 2018 or 2020 as well as achievements by 2017. Possible reasons for variances are given, but no corrective actions or target revisions are proposed. Especially when the results in 2017 are even lower than the baseline of 2014 or 2015 an in-depth analysis of why the change has gone in the wrong direction would be expected and necessary. As a consequence of the lack of analysis there are no conclusions or recommendations on actions to improve the performance nor any discussion on the likelihood that future targets will be reached.

5   Governance arrangements

This section deals with the appropriateness and adequacy of the governance arrangements of the Cooperation taking into consideration the evolving context in which the Cooperation has to operate. In this section the Review Team has analysed the following:

- Organisational structure
- Management processes
- Communication and outreach
- Funding of IDC activities

5.1   Observations

We have tried to make a clear distinction between the actual set-up and the perceptions of interviewees that might not be deeply involved in for example the internal processes. Governance arrangements are related on the one hand to the actual structure of the INTOSAI-Donor Cooperation and formal roles and responsibilities, and the actual functioning of the Cooperation mechanisms on the other.

5.1.1   Organisational structure

The MoU establishes the governance structure of the Cooperation, consisting of the Steering Committee (SC) as the decision-making body, assisted by the Secretariat that provides administrative support. Upon request of the SC during the establishment of the Cooperation, the INTOSAI Development Initiative (IDI) agreed to host the Secretariat and established it as a separate department within the IDI in Oslo, Norway in 2010. The inaugural SC Meeting in 2010 decided to locate the Secretariat as an integral part of IDI. The full governance arrangements for the INTOSAI-Donor Cooperation are articulated in the Program Document. In addition, in December 2016 a document outlining the responsibilities of the Steering Committee, the Steering Committee Leadership and the IDI Board vis-à-vis the Secretariat was agreed between all parties[6].

5.1.2   Steering Committee (SC)

An INTOSAI-Donor Steering Committee (SC), consisting of INTOSAI representatives and all donors who signed the MoU, provides strategic guidance and counselling of the implementation of the Cooperation, coordinates activities and monitors progress.

The MoU includes guidelines on the role and composition of the SC, which were further elaborated and decided upon by the first SC meeting in Marrakesh. Over time, the actual composition of the SC changed and decisions on new guidelines for the SC were taken early 2015.

Article 20 of the MoU stipulates: "*In support of the objectives of this MoU, a Steering Committee will be established to provide strategic guidance and counselling in its implementations, coordinate activities, and monitor the progress of such implementation. The Steering Committee will consist of representatives of INTOSAI and the Donor Community. The Steering Committee will comprise one representative from each of the members of the Donor Community signing this MoU and proportional representation from INTOSAI in order to strike an appropriate balance between donor*

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[6] IDI and IDC: Roles and Responsibilities of the IDI Board and the Steering Committee of the INTOSAI-Donor Cooperation in Relation to the INTOSAI-Donor Secretariat, 2 December 2016

and INTOSAI communities represented. At a minimum, a representative from INTOSAI's Finance and Administration Committee will be a permanent member of the Steering Committee. The remaining INTOSAI representation on the Steering Committee will reflect INTOSAI's interests, be influenced by regional criteria, and rotate at reasonable intervals to be determined".

In accordance with the 2009 INTOSAI Governing Board decision, the INTOSAI membership comprises the Chairs of the Professional Standards Committee, Capacity Building Committee, Knowledge Sharing Committee, Finance and Administration Committee, the vice chair of the Finance and Administration Committee, the INTOSAI General Secretariat, the Secretariats of the seven INTOSAI regions (AFROSAI, ARABOSAI, ASOSAI, CAROSAI, EUROSAI, OLACEFS, PASAI), and the INTOSAI Development Initiative (IDI).3. In accordance with the 2014 INTOSAI Governing Board Decision, INTOSAI SC membership was expanded to include the INTOSAI Governing Board Chair and Vice Chair, as well as the SAIs of Brazil and Norway. AFROSAI-E and CREFIAF, as the sub-regional bodies through which most members of AFROSAI collaborate, were granted permanent observer status to the Steering Committee.

During 2017, the main activity for a select group of SC members was participating in the Tier 2 Committee. The Committee worked to select a final list of 8-12 SAIs in challenged situations that would be targeted for scaled-up support. The final list of ten countries was presented at the INTOSAI-Donor Steering Committee meeting in September 2017, in Washington DC. The countries selected were: Eritrea, Somalia, the Gambia, Guinea (Conakry), Sierra Leone, Niger, Madagascar, Democratic Republic of Congo, Togo and Zimbabwe. Somalia was later taken off the list as it emerged that there was already a significant amount of support available.

There have been ten SC meetings so far and the minutes are published on the website. The preparation is done by the Secretariat together with the host organization. Decisions are based on consensus according to the decision at the 1st SC meeting in Marrakesh.

The Secretariat facilitated the 10th Steering Committee meeting in Washington DC, 20-21 September 2017, in collaboration with the Capacity Building Committee. The contiguous meetings were attended by around 100 participants from SAIs and donors.

As the highest organ of the Cooperation, the SC is collectively responsible for the risk management framework and approving the risk management approach.

In the evaluation 2015 it is highlighted as one of the main findings that "*The SC is formally the main decision-making body of the Cooperation and is recognized as such by the majority of the key stakeholders, both donor and INTOSAI representatives.*" Here the Review Team has noted improvements as these are recognised by all interviewees in the Review.

All interviewees state that there is a good balance between INTOSAI and donors in the SC. This is also an improvement compared with the 2015 evaluation. The evaluation report reads: "*The majority of key stakeholders (approximately 75%) agreed that there is a good balance between INTOSAI and donors in the Steering Committee.*"

Also, almost all of the interviewees state that the composition of the SC is appropriate. However, there are a few exceptions:
- Three interviewees propose greater representation on the INTOSAI side coming from developing country SAIs. Developing countries are engaged with INTOSAI in CBC and sub-committees, working groups, and through their regional bodies. As they are the main beneficiaries, the focus is on them and they should have greater representation in the SC.

- However, most of the interviewees prefer that developing countries are – and should be - represented by the regional bodies and INTOSAI in general. According to them membership in the SC is not supposed to be a position to promote the individual SAIs' own interest but to facilitate smooth cooperation between INTOSAI and donors overall. Thus, as main beneficiaries of the INTOSAI-Donor Cooperation, SAIs of developing countries should not represent themselves in the SC.

- A couple of the interviewees believe that SC members may have different perceptions of their role in the SC, which affects the way in which they may represent the interests of national SAIs in the meetings of the Steering Committee.

- Interviewees raised some questions regarding the level of representation and participation and engagement regarding both INTOSAI and the donors. One challenge is to involve donors more in the work. Some of the 23 have never been present at any meeting or activity.

- INTOSAI is represented by top management but donors are represented in accordance with their governance arrangements, which vary among donors and may not require a top management representation.

Interviewees underline the importance of involving SC members in working groups to elaborate new strategies for the various Cooperation activities. This was useful in order to ensure ownership and bring different perspectives together in the development of the new concepts. However, the working groups still relied quite heavily on the Secretariat to carry out the drafting and preparatory work. More in-kind support to the IDC activities would be welcome.

A number of concrete proposals have come up in the interviews. It should be noted that the following are proposed by one interviewee or a limited number of interviewees:

- The chair or the vice-chair should come from a developing country SAI.

- Regional and sub-regional bodies should have full membership.

- Vice chair of CBC should be a full member.

- Countries with the court model (for example French-speaking countries) have special needs and should have more representation.

- IDC should reach out also to other actors, for example IPU and other parliamentary organisations, in order to promote and safeguard SAI independence.

5.1.3 Steering Committee Leadership

The first SC meeting in Marrakesh decided on the SC Leadership. The minutes read: "*Steering Committee will be led by co-chairs and co-vice chairs from the donors and INTOSAI respectively. INTOSAI appointed the chair and vice chair of the INTOSAI Finance and Administration Committee as chair and vice chair. Currently this is the SAI of Saudi Arabia and the SAI of USA respectively. The donors appointed the World Bank as chair as a representative of multilateral organizations and DFID as vice chair representing bilateral organizations. It will be at the discretion of the Donor and INTOSAI communities respectively to decide upon changes in the Leadership. The chairpersons, vice-chairpersons and secretariat will have periodic meetings, preferably monthly, to facilitate implementation.*"

The Leadership of the SC comprises two representatives appointed by INTOSAI, and two appointed by the donor signatories to the MoU. In practice, the composition of the SC Leadership has not changed since the start, but on the donor side i.e. World Bank and DFID, there was a change in staff responsible for the chair and vice-chair position. Irish Aid took over the Donor Vice Chair from 2017.

Some interviewees complain about the slow decision-making processes in the Cooperation, which according to them is negatively affecting the Cooperation. Although formally the SC is the main decision-making body, in practice this proves to be difficult given that the SC meets only once a year. Therefore in practice decisions that cannot wait until the next SC meeting are handled by the SC Leadership.

After having monthly meetings to begin with, the SC Leadership agreed to hold regular two-monthly or quarterly telephone meetings. From 2013 onwards, the approved minutes have been shared with the funding donors and the IDI Board.

During 2017 the SC Leadership met by teleconference six times. Following a decision by the SC leadership, the chair and vice chair of the INTOSAI CBC now participate as observers. Summaries of the teleconferences were shared with the IDI Board and donors to the Secretariat, as per the agreed governance arrangements.

Between SC meetings, the SC Leadership is responsible for risk management, and decide whether and when to raise issues with the full SC. The leadership should review the risk register every six months, to ensure all significant risks are identified and effectively managed.

Among the interviewees, there is overall consensus on the balanced composition of the SC Leadership and the commitment of the persons involved. The size of the Leadership facilitates efficient meetings and work is carried out in harmony. According to the interviewees the SC Leadership is doing a good job pushing the Cooperation forward strategically. The positions in the SC Leadership are based on personal merit that made sense when the organisation was established and the continuity has been important. It is noted that the link to CBC could be stronger but now having CBC participate as observer is an improvement. One interviewee suggests that the Chair should come from a developing country. Besides that there are no concrete proposals to change anything. Within the agreements made regarding the SC Leadership there are no major issues or concerns according to the interviewees. The members of the SC are confident that they will be consulted when needed also between the SC meetings and the SC Leadership meetings.

5.1.4   INTOSAI-Donor Secretariat

The INTOSAI Donor Secretariat (hereafter referred to as the IDS) founded in 2010 supports the SC in overseeing the implementation of the MoU. The IDS is hosted by the INTOSAI Development Initiative (hereafter referred to as the IDI), which is the capacity development arm of INTOSAI.

The IDS is a department within IDI, whose financial activities are separately identifiable within IDI's financial statements in order to meet donor requirements in the Program Contract.

Table 19: Secretariat staffing 2017

Position	No. Months	No. FTE	Title	Comments
1	5	0.42	Deputy Director General & Head of the INTOSAI-Donor Secretariat (local staff contract)	Salary costs covered by the INTOSAI-Donor Secretariat budget. Vacated position end of May 2017.
0,7	7	0.41	Deputy Director General, Head of the INTOSAI-Donor Secretariat (local staff)	New Head of Secretariat from June. 30% of Position is IDI Head of Admin, 70% of Salary costs covered by the INTOSAI-Donor Secretariat budget.
1	7	0.58	GCP Manager	GCP manager started June 2017. Salary costs covered by the INTOSAI-Donor Secretariat budget.
1	3	0.25	Advisor (local staff)	Salary costs covered by the INTOSAI-Donor Secretariat budget.
1	4	0.33	Advisor (local staff)	Salary costs covered by the INTOSAI-Donor Secretariat budget.
1	12	0,73[5]	Communications manager	Salary costs covered by the INTOSAI-Donor Secretariat budget.
1	10[6]	0.83	Advisor (OAGN secondee)	Salary costs covered by the Office of the Auditor General of Norway.
TOTAL		3.55		

Overall, the staffing situation changed significantly in 2017. Following the transition of SAI PMF to IDI, Secretariat staff was reduced by one advisor. In addition, two more advisors left at the end of March and April, respectively. The Head of Secretariat moved to IDI at the end of May and was replaced in early June. A new GCP manager also started in June. All positions were financed from the Secretariat's budget except one, which was funded by the Office of the Auditor General of Norway as a rolling secondment. Furthermore, the Secretariat benefits from the support services provided by IDI's administration department and pays a fair share of the costs of IDI's administration and overheads. During 2017, 11% of IDI's support staff costs and IT costs were charged to the Secretariat, reflecting the ratio of Secretariat staff to IDI program staff. Also, 12% of IDI's pension costs, Oslo rent and Oslo operating costs were charged to the Secretariat, reflecting the ratio of Oslo based Secretariat staff to Oslo based IDI program staff.

The outgoing head of IDS had a rigorous overlap workshop for the new head and new staff. This included case studies for the work, a thorough run-through of all tasks and reporting requirements and a detailed plan for the IDSC meeting.

The Secretariat is responsible for maintenance of the risk register, and bringing new risks to the attention of the SC leadership. According to the risk register as approved by the SC leadership in September 2017 the likelihood is medium and the impact high of the risk that the Secretariat has insufficient staff and financial resources to provide the requested support to the Cooperation.

According to the interviewees the Secretariat is professional, highly committed to supporting the Cooperation and hard-working.

Professional Management

Some interviewees underline that it was the donors that requested the Cooperation to be integrated in IDI and that no alternatives were realistic at the time the Cooperation was set up. The reason for locating the Secretariat at IDI was to achieve synergies.

The advantage of IDI hosting the Secretariat that is mentioned most frequently by the interviewees is that synergies have been noted also in reality and that the organization is cost-efficient. In fact most of the interviewees see no realistic alternative to IDI as host. IDI provides basic infrastructure and contributes to professionalism and efficiency.

SC and IDI Board have agreed on practical solutions for decision-making. The Secretariat is ring-fenced as a separate unit. Most interviewees are not aware of any problems in that regard.
It has, however, been noted that it is difficult for a newcomer to the Cooperation to distinguish IDS personnel from IDI personnel as they share the same objectives and strategies. The disadvantage of IDI hosting the Secretariat that is mentioned by most interviewees is that the Cooperation loses in terms of visibility especially at country level. It is not possible to be fully integrated and at the same time be more visible. The Cooperation will have to choose: which is most important?

Some interviewees state that the Secretariat should be fully integrated within IDI and not have its own strategic plan and be reported separately but only as part of IDI. In the discussions on the Secretariat being more integrated in IDI the question of any conflict of interest has been an issue for some stakeholders. However, if IDS is a part of IDI, there is only one entity that has relations with donors and therefore there cannot be any conflict.

The former head of the Secretariat was working full time as head of Secretariat. The present head of the Secretariat has a split function as he is also Head of IDI administration. 70% of a person cannot be independent of the other 30%.

Others underline the potential of even more synergies between IDI and the Cooperation as most work in both entities is on coordination. Thus, these interviewees think it is good that staff work both for the Secretariat and IDI at the same time. It is also mentioned that even if the IDC didn´t exist IDI would have had to carry out most of the present activities at the Secretariat as part of IDI's work on coordination.

Only a few interviewees are of the opinion that the IDC, including the Secretariat should be a separate legal entity to avoid any conflict of interest. On the other hand, many interviewees underline that trust and identity for the Secretariat is stronger when it is part of IDI. SAIs recognize IDI but IDC is not well known at the country level.

The SC leadership has intensive discussions on how to organize the Cooperation in the most efficient way and has done a lot of research on future alternatives. There seems to be broad consensus that INTOSAI community ownership is important and that the Cooperation therefore should not be hosted on the donor side even if the World Bank were willing to take this role.

5.1.5   Conflicts of interest

The IDI is hosting the Secretariat, which was a natural and practical arrangement at the time in order to make use of existing structures rather than to create new ones. The IDI Board is the supreme governing body of the IDI including the Cooperation's Secretariat. According to the interviewees this arrangement has provided the most cost-efficient solution for the Cooperation. In the evaluation 2015, however, it was stressed that this organisational set-up created a conflict of interest. The evaluation report reads: "*Donors had different expectations on the role of the*

Secretariat and its degree of independence from the IDI, given the potential risk of conflict of interest that was recognized from the start onwards. Some measures were put in place to mitigate against these risks. Nevertheless, continued vigilance is required as the IDI is currently intending to provide direct technical capacity development support to SAIs of partner developing countries, in particular SAIs in fragile states as a provider of last resort. Potentially, new conflict of interest issues may arise between the IDI hosting the Secretariat and the Cooperation of which the SC Leadership is aware and this will be a priority for consideration by the SC".

However, the interviewees did not perceive potential conflicts of interest within the governance structures of the Cooperation that could damage its credibility and undermine support for the Cooperation. Most interviewees are of the opinion that there are no existing conflicts of interest in integrating IDC Secretariat within IDI. A few interviewees see a potential risk for conflict of interest as both IDI and IDC are dependent on donor support and have to agree on the sharing of funding from the same group of donors. A merger of IDC with IDI would avoid this as there would then be only one body having relations with donors.

5.1.6 Donors

While INTOSAI is one organization, the Donor community consists of MoU signatories and non-signatories. All signatory donors of the MoU are SC members, but four of the 22 donor signatories are not active in the Cooperation any longer, while some non-signatories are quite active. Therefore, the level of participation and engagement varies considerably from one donor to another. At the set-up of the Cooperation, donors agreed on their representation in the SC Leadership, i.e. the World Bank as chair and DfID as vice-chair. Since 2017, Irish Aid has taken over as donor vice-chair.

For quite some time, donors did not have their own meetings to discuss main issues regarding the Cooperation. However, this changed in the course of time and since the 2014 SC meeting donors started to have their own meetings and were consulted prior to the SC Leadership meetings. These donor meetings do not involve the Secretariat. One main outcome of these meetings is that donors agreed on Leadership principles for the donors and the World Bank would continue as permanent chair, while the vice-chair should rotate from 2017 onwards. In addition, funding issues are discussed, while apparently also behavioural change is part of the agenda.

Donors are facing various challenges that affect their participation in the Cooperation to various degrees:

- Donors´ staff are normally development specialists and typically generalists and not specialists in audit. Consequently, donor representatives have often limited experience of capacity development of SAIs.
- Delegation of decision-making to country offices complicates the effective participation of donors as Cooperation representatives are based at headquarters, but have sometimes insufficient insight and knowledge of what is happening regarding support to SAIs in the various regions and countries;
- As the support to SAIs does not really represent large volumes of funding, the time donor representatives can spend on the Cooperation is limited; and
- Lack of continuity i.e. changes of persons representing the donors in SC meetings affect the Cooperation

These challenges are reflected in donor participation in the Cooperation at the different levels. Some donors are very active at the global level of the Cooperation, while others are more active at

regional level including funding of regional bodies without being particularly active in the Cooperation, and others are mainly active at country level.

5.1.7 Relation to other INTOSAI committees

In the 2015 evaluation it was concluded that the set-up and functioning of INTOSAI affects the Cooperation. The architecture of INTOSAI is complex and the Cooperation has to deal with these complexities, which go beyond the influence of the Cooperation.

The general comment among the interviewees is that all parts of INTOSAI should coordinate their efforts better and avoid duplication. It was also emphasized that IDC should look at the bigger picture (SAI independence, Parliamentary reform, etc in building capacity). The INTOSAI Platform meeting in June 2018 is important to outline vision and roles for all INTOSAI bodies.

Four INTOSAI committees represent INTOSAI in the Cooperation:

Policy, Finance and Administration Committee (PFAC)
The PFAC has the key role in the SC Leadership. According to interviews this is due to historical reasons and not motivated by professional links between the PFAC and the Cooperation in implementation of the Cooperation´s Strategic Plan.

Capacity Building Committee (CBC)
The Capacity Building Committee leads INTOSAI's efforts under strategic goal 2 on Capacity Development. Through the CBC, INTOSAI aims to "support SAIs in developing capacity to maximize their value and benefits to society by (1) promoting the development of capabilities and professional capacities of independent SAIs and regional organizations; (2) informing INTOSAI decisions-making on SAI capacity development matters; and (3) cooperating with donors, relevant partners and stakeholders." Thus, the CBC and the Cooperation share a common objective to support and improve SAI capacity development. The CBC is engaged in a strategic dialogue with the IDI and close cooperation on some initiatives and programs. Their respective functions and roles were discussed after the 2015 evaluation to ensure complementarity and avoid overlap of activities. However, some of the interviews state that this is not enough; the mandates for the different bodies must be clarified.

The agenda of the annual CBC meeting includes similar topics as the Cooperation agenda, with the exception of specific Cooperation activities. A survey carried out following the 9th SC meeting in Cape Town contiguous meeting with the CBC showed that holding the meetings back-to-back was appreciated by the majority of the respondents. It saved travel costs and time for some participants who would otherwise attend both meetings and thematic synergies were identified. Some of the participants recommended allowing for even deeper discussions between the participants as their varied backgrounds added value to discussions.

The interviewees state that the cooperation with the Capacity Building Committee (CBC) has improved significantly during phase 3. The division of responsibilities has been clarified and the roles for IDC and CBC respectively are now more appropriate. One reason for the improvement is the fact that from 2017 onwards, the Cooperation takes on an advisory role in relation to SAI PMF, while the governance and implementation of SAI PMF will be located within INTOSAI structures. Following a recommendation from the Cooperation, the INTOSAI Capacity Building Committee (CBC) took over the responsibility as strategic governance lead, and IDI took over as operational lead. Work on SAI PMF was no longer part of the work program of the INTOSAI-Donor Cooperation and Secretariat from the beginning of 2017, but the Secretariat supported the transition intensively for the first three months. The Cooperation has the opportunity to remain involved in SAI PMF work

through its Independent Advisory Committee. Some of the interviewees recommend further improvement of cooperation between CBC and IDC. The representation of the committees is important. Also the division of responsibilities and working together to achieve synergies with IDI needs improvement.

According to the interviewees in general the work should be better coordinated and integrated between IDC and CBC. There are several concrete ideas on how this should be facilitated. One proposal is that CBC should chair the SC. Another suggestion is that the IDC Secretariat should be integrated with CBC instead of IDI. A third one is that donors could be invited to CBC annual meetings and the SC discontinued.

Professional Standards Committee (PSC) and Knowledge Sharing Committee (KSC)

The other two committees that are directly involved in the Cooperation are the Professional Standards Committee and the Knowledge Sharing Committee. In the beginning of the Cooperation there was a strong link with PSC. However, the nature of work for IDC has changed and there is no strong link anymore to PSC.

There would be a strong rationale for cooperation between IDC and KSC. There was a strong link when IDS supported the KSC Working Group on Values and Benefits of SAIs to develop the SAI PMF. At present the links are limited according to the interviewees.

In the interviews no concrete changes of the division of responsibilities vs PSC or KSC were proposed.

5.1.8   Regional and sub-regional bodies

INTOSAI has over the years clarified roles and responsibilities at global, regional and country level and changes are agreed upon according to the INTOSAI procedures. The interaction between the three levels is of crucial importance to the Cooperation, and it is an ongoing challenge to sufficiently balance the different levels. The perception is that the Cooperation pays more attention to the global level and country level compared with the regional and sub-regional level.

An issue of concern for some of the interviewees is the extent to which regional bodies sufficiently represent the interest of SAIs of partner developing countries in their region. There is substantial variation in the participation and engagement of regional bodies in the Cooperation. Some regional bodies are particularly active at different levels and keep SAIs in their region informed on Cooperation decisions and activities, while in other regions there is room for improvement. This appears to be an issue of variation among regions, rather than a matter of governance structure.

Each regional body is a legal entity. The interviewees underline that IDC should respect all the seven regional bodies as well as the sub-regional bodies in the work as they are important for the learning processes. Only a few regions implement capacity development. Thus, presently some processes involve some regional bodies (mainly AFROSAI-E) and others are not as involved. A major concern of some of the interviewees is the focus on Africa; what's in it for the others? Thus, there is potential for more widespread rollout of Tier 2 across regions.

The regions are very different and make their own priorities. According to some of the interviewees most donors don´t understand these differences and expect all regions to play the same role. There are examples of regions trying hard to get funding to assist members in building capacity and there are others not interested in working on capacity development programs for their members. Thus, in practice some of the regional secretariats have only an administrative role. The position as Chair of

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the regional governing board is often rotating and therefore sometimes perceived to be very political.

Some of the regional/sub-regional bodies need be strengthened if they are to have a role in building capacity and, thus, more donor funding should be allocated directly to regional and sub-regional bodies. It was mentioned that CBC tries to prioritise regional activities and one suggestion is that the Global Call should also be open for regional and sub-regional bodies in tier 2 as well as tier 1.

A number of suggestions for strengthening the regional and sub-regional bodies were mentioned in the interviews. It should be noted that each of the following are comments by one interviewee or a limited number of interviewees:

- Should open up and embrace working with the donors.

- Should be more active in SC meetings; don´t contribute much or say much.

- Should know what their members want and act more as change agents.

- Need to be strengthened especially in Africa and some parts of Asia

- Both regional and sub-regional bodies are important. However, sub-regional bodies are not fully recognized and, thus, not adequately used and supported.

- Regional bodies are important in tier 2 countries that give them a role.

5.1.9 Funding

IDI, as the legal entity hosting the Secretariat, entered into a Program Contract regarding funding for the INTOSAI-Donor Cooperation 2016-18 with the Austrian Development Agency (ADA), the Ministry of Foreign Affairs and Trade, Ireland, and the State Secretariat for Economic Affairs (SECO) (Switzerland) in July 2016. Thus, there was a gap in funding the Secretariat between the end of the previous year 31 December 2015 and July 2016. An interviewee underlined that this was a huge problem that created uncertainty in the Cooperation and has had a negative impact on the whole program period. Thus, it is stressed that the SC Leadership must do everything to avoid the same situation again.

The IDC is a separate accounting entity within IDI, incurring its own direct costs on its programs and a share of IDI overheads (per 5.1.4 above). These costs omit significant in-kind costs, principally the staff time and venue costs of other INTOSAI agencies, which it is not practicable to calculate. According to IDI, these in-kind contributions are significant, once estimated at 25-40% of cash costs.

The actual and planned activities for the calendar years 2016-2018 are not fully covered by committed funding. The gap, as currently estimated, after including actual income and expenditure for 2016 and 2017 and revised budget for 2018, is NOK 0.7 million ($84,000), see table below.[7] The Norwegian Parliament provided funding in 2016 and SECO provided funding up to 2017. Out of 23 donor agencies that signed the MoU, only ADA and Irish Aid are currently supporting 2018 activities. While it is true that most global initiatives are supported by only a small number of donors,[8] where there is a squeeze on aid budgets there is greater dissatisfaction about an unequal distribution of the burden.

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[7] SECO has given a verbal pledge to top up the 2018 grants. No pledges have been given in respect of 2019 and thereafter.
[8] The PEFA program has had continuous support from the same seven donor agencies since 2001.

Without further funding, the IDC program will discontinue. Further funding will depend first on an approved Program document to succeed the one for 2016-2018, then donor approval processes. The experience at the end of phase 2 indicates that there will be a gap in funding.

Table: 20 Income and Expenditure for 2016-2018 (NOK 000)

	2016 Actual	2017 Actual	2018 Revised Budget	Total
Income	6,933	5,052	3,234	15,069
Expenditure	7,933	4,367	4,932	17,232
Surplus/(deficit)	(1000)	685	(1,698)	(2,013)
Surplus brought forward from previous year	1,326	326	1,011	1,326
Surplus carried forward	326	1,011	(687)	(687)

Source: IDC Performance and Financial Report 2017, p.32-34. Income consists of donor grants and interest received on grants before they are spent. Grants are received in advance, but not counted as income until the intended program activities are completed. Expenditure consists of cash expenditure on an accrual basis, plus a share of IDI staff and overhead costs. Income and expenditure in kind cannot be calculated and is therefore omitted.

Interviews with stakeholders included the following comments on funding:

- Donors are non-committal, preferring broader PFM programs, and some not focused solely on SAIs in fragile situations.

- IDI and IDC depend on the same set of donors

- SAI expectations are too high.

- Donor expectations are too short-term: SAI capacity building may need a long-term vision of 10 or more years.

- IDC should be integrated into IDI, the Steering Committee discontinued and donors retain the dialog with INTOSAI through donor participation in the IDI Governing Board or participation in meetings of the CBC.

- Core funding to IDC could be an agreed percentage of all IDI funding: this would change expectations on both sides.

- Separate donor funding to IDC cannot be justified without an approved strategic plan and clear roles and responsibilities of the (several) agencies involved in its implementation.

Some donors criticised the lack of executive accountability within the INTOSAI community. This appears to be based on a belief that the INTOSAI Congress is a corporate board that can approve a plan and authoritatively implement it top down. This is a misunderstanding as INTOSAI is a members' association and SAIs are individually independent. Only a SAI can request a PMF assessment, make a proposal for funding, or implement recommendations coming from technical assistance. Any initiatives from global or regional levels reduce ownership by the target SAIs, contrary to a MoU principle. Approaches to SAIs in fragile situations where the SAI itself is challenged are inevitably compromises. An evolutionary and pragmatic approach is preferred.

All donors, and some INTOSAI bodies, found the organisational set-up complex and confusing.

The Secretariat has been reduced and will be further reduced to adjust to the financial situation. The three donors presently supporting the Secretariat have been flexible and good partners.

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However there has been a gap between the contract periods with donors. Donors must have the new strategic plan first before they can make any decisions on support. There is always a risk that one of the donors will not continue supporting the Secretariat and then funding would be dependent on others who are willing to come in their place. Another alternative would be to allocate a certain percentage of IDI's funding to IDC.

The Secretariat has also received part of a core grant to IDI provided by the Norwegian Parliament through the Office of the Auditor General of Norway. This core funding from the Norwegian government has been used to fill in the gap. However, in 2017 the only funding from this source was residual interest earned on funding received in 2016.

The Office of the Auditor General of Norway (OAGN) provided a rolling secondee under an informal arrangement, which from 2016 changed from 12 months to 18 months. However, this arrangement was discontinued in November 2017. There were no formal reporting requirements under this arrangement.

The World Bank provided in-kind support by financing a review of the previous rounds of Global Call for Proposals (see section 6.1 below).

Other in-kind support such as hosting meetings and events was provided by AFROSAI, CREFIAF, SAI Namibia and AFROSAI-E.

The Program Contracts stipulate that there will be an Annual Donor Meeting in order to discuss the progress of the program and the cooperation between the funding Donors. Wherever possible, the Annual Donor Meeting should be organized together with the regular SC Meetings. The 2017 annual meeting was held on 21 September 2017, in connection with the 10th SC meeting in Washington DC, and attended by ADA, Irish Aid, SECO and the Secretariat.

Most interviewees are dissatisfied with the present funding arrangements. Several respondents are of the opinion that a broader funding base is needed: it is argued that more donors should support the Secretariat to generate greater autonomy for IDC and also widen the distribution of donor influence.

Some interviewees propose that the Cooperation should be a sub-program under IDI and instead of the present arrangement be guaranteed a certain percentage of the funding to IDI. One advantage of such an arrangement would be the broader funding base. More important, however, according to some of the interviewees is that there should not be a gap in the funding between the three-year periods for each of the strategic plans. In the present situation the staff don´t know at the end of one period if the next strategic plan will be fully financed. Thus, there is a risk that staff at the Secretariat will look for other job opportunities when they don´t know if their services will be needed over the next three years.

5.1.10 Management processes

 According to the interviewees the biggest challenge during the present program period has been the strategic direction that came out of the 2015 evaluation. It has been difficult to maintain momentum. Donors want to see results rapidly that can be communicated with governments and the general public. Some of the interviewees mention that in the work plan it must be more visible where IDC are involved and to make sure that IDC processes are not bypassed by the individual donors. Individual donor support to SAIs is not always linked to the processes in the global partnership.

Several interviewees stress that there is no clear vision for the Cooperation and that the lack of strategic vision still is the most challenging issue. Some interviewees propose that the SC initiate a comprehensive review of the vison and strategic direction of the Cooperation. The present strategic direction has come to an end and there is need to look in other directions.

A couple of the interviewees suggest that IDC should not have a strategic plan of its own. Secretariat activities should be integrated in IDI and funded as components of the IDI strategic plan.

Two interviewees are of the opinion that the Cooperation and the SC are too formalized and ask the question why the cooperation must be formalized at all. The support to SAIs and donors should be provided by IDI – for example the database, brokering between SAIs and donors, facilitating learning processes. They argue that the Cooperation is too much focused on administration. Why is IDC having a risk register, communication strategy, etc? They argue that dialogue between INTOSAI and donors should focus on substantive things, for example how to secure SAI independence, how to improve dialogue between SAIs and parliaments, lessons learned from projects, and so on.

The decision-making processes are adequate according to the interviewees. The SC Leadership reaches out to the other members between meetings to get their views before decisions. However, some interviewees ask for clearer ambitions from SC and structures that support the ambitions. They say there is need for reposition of cooperation with adequate balance between changes and continuity.

Priority has been given to carrying out strategic reviews to further define the Cooperation's strategic direction and key activities in light of the evaluation findings. Several working groups comprising volunteer Steering Committee members subsequently elaborated strategies for four key areas: Global Call for Proposals (GCP), SAI Capacity Development Database, Communications, and Results Framework. These strategies, and the overall strategic direction for the Cooperation in phase 3, were endorsed by the SC at its 9th meeting in Cape Town in October 2016, and approved by the SC Leadership in December 2016.

According to the interviews the processes involving working groups have been very good. It is suggested that there should be more working groups involving developing countries. However, the Secretariat ended up doing most of the job with some in-kind contributions from SAIs and donors. Thus, it is important to define the role of working groups and what is expected from each member of the group.

Several interviewees underline the importance of clarifying roles to make sure that the processes take less time than today. Especially the division of responsibilities between SC, Leadership and Secretariat should be clearer. The SC Leadership are very busy and have limited time for management issues.

The budget and work plan have to be approved by several bodies (SC, IDI Board and IDC donors). The IDI Board approves the Secretariat's annual work plan and budget, as part of IDI's Operational Plan and budget, including any budget amendments. The work plan is approved ensuring consistency with the annual work plan approved by the INTOSAI-Donor Cooperation SC. The budget is approved ensuring consistency with the budget approved by the funding donors, under the grant agreement between IDI and those donors. The INTOSAI-Donor Cooperation SC approves the Cooperation's annual work plan, in light of the indicative budget and financing respecting that formal approval of the budget lies with the IDI Board, as part of IDI's Operational Plan and Budget, and that this budget is consistent with the budget approved by the funding donors, under the grant agreement between IDI and those donors.

This is a complicated set-up. A few interviewees are of the opinion that SC Leadership should not go into details in the budget and work plan, but leave it to the IDC donors. Others state that it is important that the donors supporting the Secretariat don´t have more influence than other members of the SC. The Secretariat responds that the SC Leadership determines the annual workplan and funding donors stick to their role of ensuring accountability for the use of their funds.

Section 6 of the Program Contract signed between IDI and the Secretariat's funding donors in July 2016 outlines the reporting requirements, consisting of an annual narrative report, accompanied by IDI's audited financial statements, IDI's ordinary annual financial audit report and any management letters provided by the auditor. These documents are to be submitted to the Donors by 31 May each year.

The majority of the activities on the annual work plans in 2016 and 2017 were carried out. Of the high priority activities in 2017, all were completed as planned, with the exception of the implementation of the GCP (task 2.16). Due to delays in implementation of the GCP and significant staff changes in 2017, it was not possible to complete meetings between all SAIs and providers of support. The Secretariat has also spent more time preparing the SAIs selected for Tier 2 for receiving support, amending the Tier 2 strategy with a roadmap for implementation that foresees more activities to ensure coordination, Strategic Plan harmonization and ensuring that this support will also be SAI-led. The Secretariat believes this will improve the sustainability of the Tier 2 initiative.

Although most activities in Tier 1 were completed as planned, the number of applications was very low - only two applicants by the end of 2017. Tier 1 was not given very high priority in 2017.

The following table summarises the funds received and spent, by source, for 2017. In addition to the carry forward from 2016 of 325 713 NOK, there was underspending of 957 351 NOK in 2017 (as per section 3.3 above). In addition, there was more funding due to exchange rate variances. By the end of 2017 there was a carry forward of 1 010 538 NOK, which has been allocated pro-rata, based on the percentage rate of funding provided by each donor.

Table 21: Funding of the Cooperation 2017

2017 Statement by Donor	Brought Forward	Funding Received	Accrued Interest	Expenditure	Carried Forward
Austrian Development Agency		935 950	1 176	749 533	187 593
Irish Aid	325 713	2 439 075	3 661	2 279 583	488 866
OAG Norway			2 537	2 537	-
SECO (Switzerland)		1 666 800	3 060	1 335 781	334 079
Total	325 713	5 041 825	10 434	4 367 434	1 010 538

All figures in Norwegian Kroner

IDI's financial statements have been audited and an unqualified audit opinion was given. This confirms the Secretariat's actual expenditure, as well as the income and expenditure per donor, as shown in this table.

The approved financial statements of IDI, with particular notes related to the Secretariat, are included as Annex B and Annex C to the financial and performance report. The contributions to and expenditures of the Secretariat were audited as part of the overall audit of the IDI. The original and signed audit report in Norwegian, and translation in English, is included as Annex D to the financial and performance report.

Most interviewees cannot comment on the internal management processes as they are not directly involved in them. However, the interviewees in general are very pleased with the outputs. They underline the very good quality of all documents, the committed and helpful staff at the Secretariat and the sensible and good Leadership. Most interviewees are of the opinion that the management processes are very efficient; however, a few state that they are too slow.

5.1.11 Communication and outreach

Visibility of IDC as an entity has been a major preoccupation of the Cooperation. One of the recommendations in the evaluation 2015 was to increase visibility. In the evaluation report it was noted that "*In practice, many key stakeholders are of the opinion that the distinction between the IDI and the Secretariat is not very visible any more. This affects the visibility of the entire Cooperation. Although the Cooperation is based on joint efforts to realize its objectives in an effort to enhance complementarity, the Cooperation needs a minimum level of visibility*". The SC reviewed the recommendations and responded with among others the following commitment: "*Development of a communications strategy, a results framework and a monitoring and reporting strategy*".

A communications strategy for the Cooperation was developed in 2016, recognizing that outreach through the Cooperation's network is critical for achieving more effective capacity development. The Cooperation developed and launched a new communication package in 2017. The communications strategy has been carried out as planned. Among the highlights of the communications work:

- Communications package: developed and published as a means to facilitate communication for the Cooperation´s members while raising awareness about the importance of working with SAIs, the value of the Cooperation and the MoU principles. Different elements were used at various events.

- Success stories showcasing country level results, linked back to Cooperation activities and MoU principles: three stories (Bhutan, Sierra Leone and PASAI) were disseminated through various channels of communication, such as social media and regional events. By the end of 2017 the Secretariat started with the development of the Uganda story.

- IDC's social media presence: accounts on Facebook, LinkedIn and Twitter were opened in 2017, rapidly reaching more than 140 followers each.

- Launch of the INTOSAI Donor Cooperation Portal providing information in all languages. It contains the Cooperation success stories, results, work streams and background information as well as country pages for each SAI with their main details and performance reports (some country pages are complete, while others are still under development). The Portal also contains the redeveloped SAI Capacity development database with its interactive map and new tools for statistical analysis.

- IDC newsletters: The newsletter was revamped into a new format and regular dissemination was taken through other communication channels and campaigns, in order to increase the size of target audiences and improve their experience.

- Strengthening linkages with SC members: In order to secure support for communicating to the right audiences, the Secretariat started holding virtual and face to face meetings with CBC, INTOSAI Regional Secretariats, the INTOSAI Journal and providers of support, which has promoted the strengthening of partnerships and collaboration.

The above-mentioned activities executed by the Secretariat intended to target key communications objectives such as raising awareness about the value of supporting SAIs and the Cooperation´s role:

to influence behaviour change towards application of the MoU principles and to strengthen the capacity of SAIs.

The interviewees are of the opinion that the communication strategy is good and the activities have been carried out according to plan with satisfying results. In fact, there were almost no critical remarks from the respondents.

The communications strategy foresees a "network of change" in which the SC members constitute a link between the Cooperation's global activities and work at the country level. The SC members are expected to communicate the key objectives of the Cooperation with those who are not directly involved in the SC, but who work on SAI capacity development in donor organisations and in SAIs. They are also placed to ensure that feedback from staff in their organisations regarding SAI capacity development and the effectiveness of the communications efforts and other activities of the Cooperation are brought to the attention of the other members of the SC.

The INTOSAI Donor Cooperation Portal is a platform that integrates the SAI Capacity Development Database with the other work streams of the Cooperation, communication about the Cooperation's results, and country-level information about SAIs, including their capacity development activities. Information in the Portal is relevant to both INTOSAI and donor members, and aims to strengthen knowledge about SAI capacity development.

The Cooperation has carried out a comprehensive stakeholder mapping and presented it in the communication strategy.

According to the interviewees the strategy is adequately addressing the stakeholders with only one exception. The square "influence behaviour" contains four groups of stakeholders: Heads of SAIs, Donor country level leadership, SAI staff ("gate keepers") and Parliaments in donor countries. It is not obvious that communication actions have been targeted to address Parliaments in donor countries.

Stakeholders above the red line in the figure are considered the most important audiences of communications efforts. Some interviewees are surprised to find Parliaments in developing countries below that line especially as the SAI's independence is challenged in many countries.

Figure 1: Stakeholder mapping
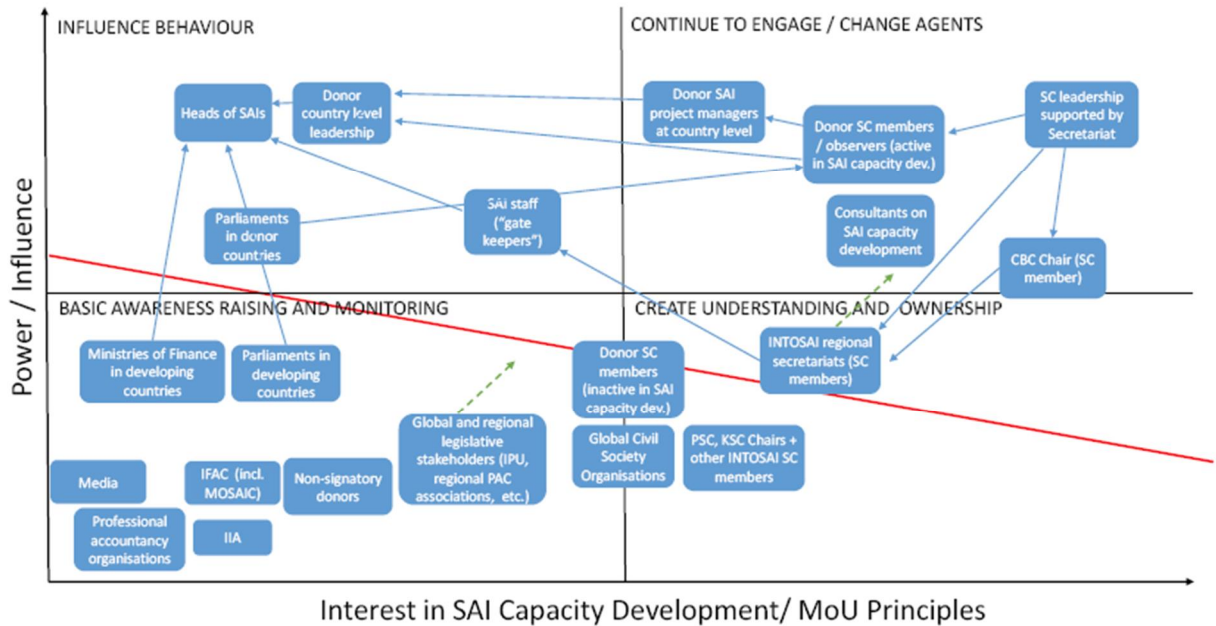
Note: Full line arrows show direction of influence. Dotted arrows indicate the potential of a stakeholder to become more interested or influential. Stakeholders above the red line are considered the most important audiences of communications efforts.

5.2 Analysis and Conclusions

The program document for 2016-2018 was approved by the SC in mid-February 2016. The funding for the first two years of phase 3 (2016-17) was secured with the signing of the contract with ADA, Ireland and SECO in July 2017, and efforts are ongoing to close the remaining funding gap for 2018 (SECO has only committed to funding for 2016-17). Thus in practice the Secretariat has for long periods been working without adequate and secured funding. As noted by several interviewees there is need for another funding mechanism should the Cooperation continue working in the same organisational context as presently.

According to the interviewees the biggest challenge has been the strategic direction that came out of the 2015 evaluation. It has been difficult to keep up momentum. The Cooperation processes as well as the processes on the ground are slow. However, donors want to see results rapidly that can be communicated with governments and the general public. Thus, there is need to present success stories and other results that can be communicated outside the Cooperation. In the management processes there is a conflict between focusing on short-term results on one hand and establishing sustainable long-term processes on the other hand.

A number of performance indicators are not sufficiently under the influence or control of the IDC Secretariat. An example is Intermediate Objective 1 in the Phase 3 Program: Cumulative number of significant capacity development initiatives originating from the Global Call for Proposals… "capacity development initiatives (SAI reform projects with secured funding) are an end-product that may differ considerably from the concept note submitted under GCP procedure, particularly as the process may take a period of years during which SAI needs change. A technical note to the Program Document says that, where the origin of the initiative is unclear or disputed, the IDS counts all initiatives linked to GCP concept notes as originating from the GCP, but seeks confirmation from the

SAI and excludes an SAI if it says the initiative does not match with its concept note. A grateful SAI is more likely to acknowledge the role of the GCP, whatever changes are subsequently made.

This is just one example of a wider challenge to the effective governance of IDC. The IDC is administratively embedded in the IDI, pursues goals that are no different from IDI goals, works jointly and cooperatively with IDI and other INTOSAI bodies, and decisions on policy and implementation are made consensually with these other bodies. It is therefore not possible to credit almost any performance achievements to the separate efforts of the IDC Secretariat. On the debit side, some of its costs are separately accounted for, but in-kind costs of wide consultations and 'piggy-backing' onto activities funded by other INTOSAI bodies (such as the use of an AFROSAI General Assembly meeting to launch the GCP initiative) are significant but unquantifiable.

The IDC has gained by being seen as part of IDI, which has a good reputation in SAIs. However, this makes it difficult for IDC to be seen as a separate body and be credited with the greater understanding of INTOSAI that it has created. Thus, its performance should be evaluated within a wider context.

The integration of the Secretariat within IDI has led to a lot of synergies. There seems to be close coordination between IDC and IDI. However, if IDI continues to host the Cooperation there is need for further integration.

One of the main difficulties has been the gap in funding between the three-year strategic plans. This has had negative impact on the present program period.

IDC and/or Secretariat cannot stand alone and be a legal entity on its own. Maybe the Secretariat should be more integrated within IDI. However, it is also intended that the Cooperation should be more visible. Thus, there is a conflict between visibility and integration.

The principles in the MoU are still relevant; however, more simplicity and efficiency in the implementation of the principles is requested. The high-level objective of sustainability is most important and there is need to sharpen the focus on the long-term strategy for the cooperation. The need for more coordination of donors and regular communication remains.

The funding base for the Cooperation should be broadened. The reasons are threefold: (1) There is notable risk of being underfinanced having only a limited number of donors; (2) if one of the donors withdraws its support based on next strategic plan it will be difficult to find another donor at short notice; and (3) there is a risk that the funders of the Cooperation expect more influence over the Cooperation than other donors or that they are given more influence in practice even if not intentionally.

The rationale for continuing the IDC as a separate accounting entity should be re-examined. Its separate funding by some donor agencies may not be an insurmountable obstacle. The IDI Bilateral Support Unit (BSU) has separate funding for SAI strengthening projects: donors appear to be satisfied with standard project monitoring and evaluation arrangements. The overhead costs of the BSU that cannot be included in separate project funding agreements are met from the core IDI budget. The question arises whether the same could apply to a merged BSU/IDC unit. Thus, additional steps to integrate IDC with IDI should be considered. The Review Team is of the opinion that first the future functions should be defined and then it should be discussed how to organise these functions. If the Cooperation is to be fully integrated in IDI it should be considered to have donors present at IDI Board meetings. It should also be discussed to open up for possible rotation of donors as representatives on the IDI Board.

The cooperation between IDC and CBC has improved during the program period. CBC has a wide mandate when it comes to capacity development and the links between CBC and IDC has been strengthened. There are a number of interesting ideas on how the cooperation between CBC and IDC could be even closer. However, it is not possible for the Review Team to assess the advantages and disadvantages with different solutions since reviewing CBC has not been part of our assignment.

The INTOSAI-Donor Steering Committee (SC), consisting of INTOSAI representatives and all donors who signed the MoU, provides strategic guidance and counselling of the implementation of the Cooperation, coordinates activities and monitors progress. The SC meets once a year. The SC leadership comprises the INTOSAI and Donor chairs and vice chairs of the SC, supported by the Secretariat. It provides strategic direction and interim decision-making on behalf of the SC between SC meetings.

The leadership structure is adequate as it gives the donor community and INTOSAI equal decision-making power. It is important that regional bodies are represented and not individual SAIs. They must take care of the whole region's interest and not only their own countries. There is a difficulty in having greater representation of developing country SAIs in the SC. The committee is serving developing countries. If they have more representation the SC will lose its present balance and there is a risk that it will be some kind of negotiating body for SAIs asking for more support to them. Thus, greater representation of developing country SAIs in the SC is not relevant. The purpose of SC meetings is not dialogue between donors and supported SAIs. The dialogue is intended to be between INTOSAI and the donor community.

The *composition* of the SC is well balanced and appropriate. Some interviewees however are concerned with the mismatch of level of representation between INTOSAI and Donors.

Within the agreements made regarding the SC Leadership there are no major issues or concerns. The regional and sub-regional bodies are a heterogeneous group. Some are very strong and others have not the same resource level. Some are quite active with training courses and workshops, cooperative audit, and twinning of its advanced members with challenged members. Others promote the decisions of INTOSAI and its own Governing Board, but generally take a passive role of reacting to member SAIs. However, the regions and sub-regions should generally be more involved in the Cooperation.

6 Future directions, options and recommendations

The above leads the Review Team to the following future directions, options and recommendations with regard to

- Global call for proposals
- SAI Capacity Building database and IDC Portal
- Governance

6.1 Global call for proposals

The GCP has been described as the flagship activity of the IDC. The new approach for the Global Call for Proposals (GCP) includes three indicators that are based on MoU principles:

- Intermediate Objective Indicator IO2:

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Percentage of capacity development initiatives originating from the Global Call for Proposals and/or funded through the SAI CDF, which are aligned with the strategies of participating SAIs, designed based on a robust needs assessment, and (where relevant) evaluated as fully or substantially achieving their purpose: a) Global and regional initiatives; and b) Bilateral initiatives.

- Expected Result Indicator ER1:

Moving three-year average annual financial support for the benefit of SAIs in developing countries

- Expected Result Indicator ER5:

Percentage of developing countries with an established donor coordination group to facilitate coordination of support to the SAI, in which all providers of support participate: a) as reported by SAIs, and b) as reported by donors.

In July-September 2017, the World Bank undertook a review of a sample of 25 projects funded through the GCP 2011 and 2013 (out of a total of 50 funded GCP projects). The report concluded that these projects enabled the SAIs to improve audit standards and methodology, planning, and management of the audit process. However it was not possible or too early to determine the outcomes of the projects. Many outcomes did not have concrete indicators. The main lesson was that the Secretariat should ensure that SAIs select appropriate outcome indicators and targets, identify benchmarks from other SAIs (in the Africa region for example, outcomes of SAIs of CREFIAF could be compared with those from SAIs of AFROSAI-E), and establish baseline data.
The World Bank review confirmed that GCP 2017 addressed most of the deficiencies described in the 2015 evaluation. The main changes from GCP 2011 and GCP 2013 were as follows:

- Move from fixed annual timetable to an open timetable (rolling process)
- Stronger checks on adherence to MoU principles prior to circulation of concept notes to potential support providers
- Introduction of donor and peer SAI fact sheets to help applicants better understand their priorities and funding cycles
- Separate treatment of SAIs in the most challenged environments (Tier 2 countries).

As of 31 December 2017 the current round of GCP had not progressed to the stage where it could be concluded that new initiatives had been established. The additional projects were the results of new projects in SAI CDF established in 2016 and 2017. For the alignment with strategies, the results are very good. These do not currently include new GCP projects, however, so the GCP numbers are the same as the baseline. New projects added to the SAI CDF since 2014 have complied with the Strategic Plan alignment principle.

The GCP process has been described as too formal and taking too long. SAI expectations cannot be met. There is a great emphasis on process. The selection of the initial batch of tier 2 SAIs took over a year, due partly to differences among stakeholders. It has been noted that the project team on T2 moved forward during spring 2018. It may be possible to expedite the process in the next round by decentralising it to the regions and sub-regions that have the capability, with IDC playing a back-stopping and gap-filling role where regions/sub-regions lack capacity.

The selection of SAIs in countries in fragile situations appears to have resulted in a focus on a single region. The Global Call became a Regional Call. In defence, all the 22 "fragile" states were from sub-Saharan Africa except one (Myanmar). ASOSAI and other non-African regional bodies do not appear to have been engaged. This contrasts with the experience of the SAI Capacity Development Fund, which funded projects in four regions. As INTOSAI is a global body in which regional balance is important, this has caused criticism.

Professional Management

The de-calendarisation of tier 1 proposals (proposals submitted at any time of the year) should not affect the volume of submissions as these are not obligations on SAIs. Removing the deadline on a voluntary activity does not make it mandatory. However, deadlines may be employed as communication devices to encourage SAI response.

The regional and sub-regional bodies have an important role to play in the capacity development of SAIs for example in organizing and facilitating twinning programs. However, most regional bodies do not have the staff or skills. They were eligible under GCP 2010 and 2013 to submit proposals for funding and are still eligible under GCP 2017 T1 procedure. Two regions/subregions (CREFIAF and ASEANSAI) benefitted from the SAI Capacity Development Fund. It may be necessary to target particular regional/sub-regional bodies under T2. However, according to the Concept Note Guidance only SAIs may apply.

The Review Team recommends that:

➢ The T1 procedure should be simplified to minimize the workload on SAIs for initial applications.

➢ The IDS should prioritise applications based on structured interviews with heads of SAIs to gauge their reform leadership and likelihood of success having regard to the political environment.

➢ The GCP should be opened up to allow T2 applications for donor support to regional and sub-regional bodies.

➢ The regional and sub-regional bodies should play a bigger role in the identification and formulation of projects in their member-SAIs in agreement with IDI and IDC.

6.2   IDC Portal and SAI Capacity Development Database

The INTOSAI Donor Cooperation Portal is an open access platform that integrates the SAI Capacity Development Database with communication on other work streams of IDC and their results, plus country-level information about SAIs and their capacity development activities. It aims to meet the information needs of both INTOSAI and donor members with regard to SAI capacity development.

Like all databases it faces challenges in getting comprehensive, timely and accurate data. The main use so far is by the Secretariat itself, which extracts SAI data in different classifications for strategic planning, monitoring and evaluation. It is used to compile data on donor financial support to SAI projects year by year, for instance, and the proportion of developing countries so benefitted. The Strategic Review of the Capacity Development Database (December 2016) admitted there was some uncertainty about these figures. The Review Team was unable to assess what proportion of all SAI projects are registered and kept updated in the database, though it is believed that comprehensiveness is improving. It is not clear whether peer-to-peer support is included, as intended. It is not thought that there is significant duplication of projects, though the classifications may not be reliable, and project revisions are often delayed or omitted.

The database is intended to be a reference for GCP proposals and for the scoping and formulation of SAI project initiatives generally. The database includes information on SAI needs (where a SAI-PMF assessment has been done) and the amount and sources of aid to each SAI. However, our interviewees did not make much use of it for this purpose. Donors who operate on a country basis tend to rely more on their own records, dialogue with the government, direct communication with the SAI, and ad hoc enquiries of other donors involved with the SAI. Where there is a functioning Donor Coordination Group (as in about half of all developing countries), local consultation with

other donors provides more complete and up to date information on past performance and future intentions than the database.

The Strategy Document is not clear on the ownership of the database or responsibility for inputs. IDS issues a call for updates twice a year (one was missed in 2017 while the Portal was under development). This is sent to both SAIs and donors. Response is generally poor, and the Secretariat spends a lot of time following up and checking data accuracy. At present, it does not appear that SAIs or donors value the database highly enough to ensure it is up-to-date and correct. As responsibility is shared, SAIs leave it to the donors and donors leave it to the SAIs. There is little incentive on either side.

In recent years, there has been a growing demand for aid transparency. Most developing countries have some form of aid database covering all forms of aid, whether by grant or loan, usually in a planning ministry or the finance ministry. This is used to inform development planning and monitoring activities and as a basis for reporting ODA to OECD/DAC. This database should include all donor support to the SAI and would be a useful check on the completeness and accuracy of the IDC database. Another source could be the INTOSAI Triennial Stocktaking Survey.

The Review Team recommends that

➢ The database should be owned by the SAIs and each SAI solely responsible for obtaining and entering timely and accurate data on its capacity building projects.

➢ The costs and benefits of the database should be estimated one year after its upgrade and publication to establish whether it is providing value for money.

6.3   Governance

The Review has taken into account the results of the independent evaluation (2015) and the INTOSAI-Donor Steering Committee's responses and commitments. In the Table below we have summarised our conclusions whether the work during the present program period complied with these commitments.

Table 22: Compliance with 2015 commitments

Commitment	Complied with commitment
The IDC would focus more on the key principles in the MoU	Yes
Establishing working groups to review and make recommendations on the pillars of the cooperation	Yes
Assess the IDC's role as custodian of the SAI Performance Measurement Framework in its prioritization of IDC activities	Yes, custodianship transferred to IDI
Improved cooperation with the INTOSAI Capacity Building Committee	Yes
More active participation of regional bodies in IDC	Yes
Development of a communications strategy	Yes
Development of a results framework	Yes
Development of a monitoring and reporting strategy	Yes

The Review Team is of the opinion that the Cooperation has fully complied with the commitments based on the evaluation 2015. However, as noted in Section 5 there is still room for improvement in governance.

In December 2016 a document outlining the responsibilities of the Steering Committee, the Steering Committee Leadership and the IDI Board vis-à-vis the Secretariat was agreed between all parties The leadership structure is adequate as it gives the donor community and INTOSAI equal decision making power. It has been suggested to have greater representation of developing country SAIs in the SC. However, the purpose of SC meetings is not dialogue between donors and supported SAIs. The dialogue is intended to be between INTOSAI and the donor community. The *composition* of the SC is well balanced and appropriate, but the *representation* is unbalanced. INTOSAI's representatives are at top management level but the donors are typically represented at lower levels than INTOSAI and sometimes send junior staff without relevant competence.

Although formally the SC is the main decision-making body, in practice this proves to be difficult given that the SC meets only once a year. Therefore, in practice decisions that cannot wait until the next SC meeting are handled by the SC Leadership. However, the division of responsibilities and mandates between the SC, the SC Leadership and the Secretariat should be further clarified especially when it comes to new strategic initiatives and setting the agenda. The results framework should be prepared by the SC Leadership and approved by the SC and not the other way around.

The majority of the activities in the annual work plans for 2016 and 2017 were carried out. According to the interviewees the Secretariat is professional, highly committed to supporting the Cooperation and hard-working. There seems to be broad consensus that INTOSAI community ownership is important and that the Cooperation therefore should not be hosted on the donor side. The advantage of IDI hosting the Secretariat is that synergies have been noted also in reality and that the organization is cost-efficient. IDI provides basic infrastructure and contributes to professionalism and efficiency. Maybe the Secretariat should be more integrated within IDI. However, it is also intended that the Cooperation should be more visible. Thus, there is a conflict between visibility and integration.

One of the main problems has been the gap in funding between the three-year program documents This has had negative impact on the present program period. The Secretariat has been reduced and will be further reduced to adjust to the financial situation. The three donors presently supporting the Secretariat have been flexible and good partners. However there has been a gap between the contract periods with donors. Donors must have the new program document first before they can make any decisions on support. There is always a risk that one of the donors will not continue supporting the Secretariat and then funding would be dependent on others who are willing to come in their place. Another alternative would be to allocate a certain percentage of IDI's funding to IDC. IDC and/or the Secretariat cannot stand alone and be a legal entity on its own. The rationale for continuing the IDC as a separate accounting entity should be re-examined.

The funding base for the Cooperation should be broadened. The reasons are threefold: (1) There is notable risk of being underfinanced having only a limited number of donors; (2) if one of the donors withdraws its support based on next program document it will be difficult to find another donor at short notice; and (3) there is a risk that the funders of the Cooperation expect more influence over the Cooperation than other donors or that they are given more influence in practice even if not intentionally.

The architecture of INTOSAI is complex and the Cooperation has to deal with these complexities, which go beyond the influence of the Cooperation. The general comment among the interviewees is that all parts of INTOSAI should coordinate their efforts better and avoid duplication. It was also

emphasized that IDC should look at the bigger picture (SAI independence, Parliamentary reform, etc in building capacity).

The cooperation with the Capacity Building Committee (CBC) has improved significantly during phase 3. CBC has a wide mandate when it comes to capacity development and the links between CBC and IDC have been strengthened. The division of responsibilities has been clarified and the roles for IDC and CBC respectively are now more adequate. However, according to the interviewees in general the work should be better coordinated and integrated between IDC and CBC. There are several concrete ideas on how this should be facilitated. One proposal is that CBC should chair the SC. Another suggestion is that the IDC Secretariat should be integrated with CBC instead of IDI. A third one is that donors could be invited to CBC annual meetings and the SC discontinued. However, it is not possible for the Review Team to assess the advantages and disadvantages of different solutions since reviewing CBC has not been part of our assignment.

INTOSAI has over the years clarified roles and responsibilities at global, regional and country level and changes are agreed upon according to the INTOSAI procedures. The interaction between the three levels is of crucial importance to the Cooperation, and it is an ongoing challenge to sufficiently balance the different levels. The perception is that the Cooperation pays more attention to the global level and country level compared with the regional and sub-regional level. The regional and sub-regional bodies are a heterogeneous group. Some are very strong and others are weak or under-funded. Therefore, some of the regional/sub-regional bodies need be strengthened if they are to have a role in building capacity. More donor funding should be allocated directly to regional and sub-regional bodies.

The biggest challenge has been the strategic direction that came out of the 2015 evaluation. It has been difficult to keep up momentum. The Cooperation processes as well as the processes on the ground are slow. However, donors want to see results rapidly that can be communicated with governments and the general public. Thus, there is need to present success stories and other results that can be communicated outside the Cooperation. In the management processes there is a conflict between focusing on short-term results on one hand and establishing sustainable long-term processes on the other hand.

The Review Team recommends that:

➢ The Cooperation should establish a long-term strategic vision for example for the next ten years.

➢ The Theory of Change (logical framework) for the Cooperation should be further developed, especially when it comes to the interaction between the different levels of INTOSAI and the different levels of the donor organisations.

➢ Designing the new proposal for a programme document 2019-2021 should be finalised as soon as possible to minimise the expected gap in funding.

➢ The Cooperation should carry out more in-depth analysis of performance in order to initiate necessary actions to reach the targets for 2020. In addition, the targets for 2020 should be reviewed to make sure they are realistic in light of what has been achieved so far and the actions planned for the period up to 2020.

➢ The results framework should be prepared by the SC Leadership and approved by the SC.

➢ The funding base for the Cooperation should be broadened and it should be considered to finance the Secretariat through IDI's budget, for example as part of the core funding to IDI.

➢ It should be considered to integrate the Strategic Plan for the Cooperation as part of IDI's Strategic Plan.

➢ The division of responsibilities and mandates between the SC, the SC Leadership and the Secretariat should be further clarified especially when it comes to new strategic initiatives and setting the agenda.

➢ The role for INTOSAI regional and sub-regional bodies should be clarified and their role in learning processes and capacity development should be recognised.

➢ The cooperation as well as the division of responsibilities and mandates between IDI, CBC and IDC should be further clarified.

➢ In the present communication strategy communication activities targeted on parliaments in donor countries should be added.

➢ In the next communication strategy parliaments in developing countries should be considered one of the most important audiences of communications efforts.

Annex 1

Terms of Reference (separate document)

Annex 2

Persons Interviewed and Consulted

Steering Committee Leadership

INTOSAI Chair, SAI Saudi Arabia	Hussam Al-Angari
	Mohamed Alhabib
INTOSAI Vice-Chair, Comptroller General US-GAO	Gene Dodaro
Director, GAO International Relations	Michael Hix
Donor Chair, World Bank (now Edward Olowo-Okere)	Jennifer Thomson
	Arun Manuja
Donor Vice-Chair, Irish Aid, Evaluation and Audit Unit	Anne Barry

IDI

Director General	Einar Gϕrrissen
Deputy Director General, and Head, IDC Secretariat	Ole Husebϕ Schϕyen
Strategic Adviser	Martin Aldcroft
Strategic Adviser (formerly with ADA)	Petra Schirnhofer
GCP Manager, ID Secretariat	Kerry Crawford
Head, Bilateral Support Unit	Jostein Tellnes
Communications Manager, ID Secretariat	Marcela Hommefoss
Ag Communications Manager, ID Secretariat	Matthew Price
Former Deputy Head IDI 2015-2017, now SAI Norway	Yngvid Arnesen

Funding donors

Austrian Development Agency	Petra Schirnhofer
SECO Program Manager, Macro-Economic Support Division	Natalie Bertsch

INTOSAI Capacity Building Committee

Vice Chair, Deputy Auditor General, Swedish National Audit Office	Magnus Lindell
CBC Secretariat	Jan v Schalkwyk
	Cobus Botes

INTOSAI General Secretariat

Director, Head, International Development, Austrian Court of Audit	Monika Gonzalez Koss
AFROSAI-E, Chief Executive Officer	Meisie Nkau
Executive Officer	Wynand Wentzel
ARABOSAI, General Supervisor, Secretariat	Mongi Hamami
	Abdelhak Khemiri
PASAI, Chief Executive Officer	Tiofilusi Tiueti
EUROSAI Secretariat, Director, International Relations, SAI of Spain	Karen Ortiz
	Alicia Garcia
ASOSAI Secretariat, SAI of Korea	Sang Hyeok IM
OLACEFS Director General, Exec Secretariat, Auditor General of Chile	Osvaldo Rudloff

Other Donors

EC, Deputy Head, Int'l Cooperation & Development Unit A4	Suzanne Wille
Sida	Zero Akyol
DFID	Mirza Jahani
Norad	Håkon Mundal
Global Affairs Canada	Mathieu Lafreniere

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IDC Program Document 2016-2018, and Annexes

IDC Work Plans 2016 and 2017

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Performance and Financial Reports 2016 and 2017

Review of Coordination of Support to SAIs, September 2017

IDC Communications Strategy

IDC Portal Strategy

IDC Results System

Synthesis of Evaluations of SAI Capacity Development Programs

GCP Strategy

GCP Concept Note Guidance

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PMF Report Palestine 2016

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OLACEFS Coordinated Audit

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World Bank (November 2017) Review of Global Call for Proposals 2011 and 2013

World Bank (2017) Annual report for the year to June 2017 of the SAI Capacity Development Fund

Annex 4

Acronyms and Abbreviations

ADA	Austrian Development Agency
ADB	Asian Development Bank
AFROSAI-E	African Organization of Supreme Audit Institutions (English-speaking countries)
ARABOSAI	Arab Organization of Supreme Audit Institutions
ASOSAI	Asian Organization of Supreme Audit Institutions
BSU	Budget Support Unit, IDI
CAROSAI	Caribbean Organisation of Supreme Audit Institutions
CBC	Capacity Building Committee INTOSAI
CD	capacity development
CDF	SAI Capacity Development Fund
CREFIAF	Conseil Régional de Formation des Institutions Supérieures de Contrôle des Finances Publiques d'Afrique Francophone Subsaharienne
DfID	UK Department for International Development
DFAT	Australian Department of Foreign Affairs and Trade (previously AusAid)
EU	European Union
EUROSAI	European Organization of Supreme Audit Institutions
FAC	Finance and Administration Committee INTOSAI
GCP	Global Call for Proposals
IADB	Inter-American Development Bank
ICR	implementation completion report
IDC	INTOSAI-Donor Cooperation
IDI	INTOSAI Development Initiative
IDS	INTOSAI-Donor Cooperation Secretariat
IDSC	INTOSAO-Donor Cooperation Steering Committee
IFMIS	Integrated Financial Management Information System
INTOSAI	International Organization of Supreme Audit Institutions
IPU	Inter-Parliamentarian Union
ISSAI	International Standards of Supreme Audit Institutions
KSC	Knowledge Sharing Committee
LDC	least developed country
LMI	lower middle income country
MDG	Millennium Development Goals
MDTF	multi-donor trust fund
MoU	Memorandum of Understanding, 2009
NA	not applicable
NOK	Norwegian kroner
OAGN	Office of the Auditor General, Norway
OCAG	Office of the Comptroller and Auditor General
ODA	official development assistance
OECD-DAC	Organization for Economic Cooperation and Development, Development Assistance Committee
OLACEFS	Organización Latinoamericana y del Caribe de las Entidades de Fiscalización Superior
OLI	other low income country
PASAI	Pacific Organisation of Supreme Audit Institutions
PEFA	Public Expenditure and Financial Accountability
PFM	public financial management

PGA	Parliamentarians for Global Action
PSC	Professional Standards Committee INTOSAI
RF	Results Framework
SAI	supreme audit institution
SAI-PMF	Supreme Audit Institution – Performance Measurement Framework
SC	Steering Committee
SECO	State Secretariat for Economic Affairs Switzerland
SOE	state-owned enterprise
tbd	to be determined
ToC	theory of change
ToR	terms of reference
UAE	United Arab Emirates
UMI	upper middle income country
UN	United Nations
WB	World Bank
WGVBS	Working Group on the Values and Benefits of SAIs