



Aid Effectiveness

2006 Survey

on Monitoring

the Paris Declaration

Overview of the Results



2006 SURVEY ON MONITORING THE PARIS DECLARATION

OVERVIEW OF THE RESULTS

FOREWORD

THE PARIS DECLARATION ON AID EFFECTIVENESS (March 2005) defined a number of commitments on the part of donors and partner countries, and a set of indicators to measure progress towards 2010. Within the Working Party on Aid Effectiveness, the Joint Venture on Monitoring the Paris Declaration is responsible for the monitoring and follow-up of the Paris Declaration. This document is the first Baseline Survey on Monitoring the Paris Declaration covering 34 partner countries with data from 60 donors.

Although this is a baseline survey, a number of issues stand out, requiring improvements and actions. Examples are:

- The cost of uncoordinated aid is very high. There are too many actors with competing objectives, especially in the poorest and most aid-dependent countries, leading to high transaction costs.
- There is still slow progress in untying of aid and technical co-operation is still too much donor-driven.
- Good headquarters policies are not always matched by in-country practices.
- There is a need to strengthen country ownership. Mainly a partner responsibility, donors can assist by capacity development and alignment to country systems.
- A lot of work needs to be done in managing for results. Mutual accountability, a key concept in the Paris Agenda, calls for performance assessment frameworks and improved incentive systems in both partner and donor countries.

Increasing the impact of aid on development is fundamental and requires ambitious reforms for both donors and partners, not least to defend the scaling up of aid. The Paris Declaration is designed to help deliver these reforms by holding donors and partners accountable for progress in fulfilling the commitments.

Since 2005 a lot of work has been carried out by the various actors. Donors and partner countries have taken a number of initiatives in line with the Paris Agenda to achieve concrete improvements on the ground. This survey gives some evidence of the challenges ahead, challenges that will require political commitment from both donors and partner countries.

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EXECUTIVE SUMMARY

IN 2005, OECD COUNTRIES INVESTED MORE THAN USD 100 BILLION to advance welfare and eradicate poverty in developing countries. If this foreign aid is to do as much good as it possibly can, it must be used as effectively as possible. Better aid means very different things depending on which side of the development fence you are on. For countries that receive foreign aid, it means allocating resources to their policy priorities and plans to promote justice, stimulate economic growth and improve social welfare for their citizens. For countries and organisations that provide foreign aid, it means allocating funding to countries that need it most and are more likely to make best use of it (or that need special help to weather crises). But the true test of aid effectiveness is improvement in people's lives.

A layperson observing today's aid industry might be understandably baffled by the sheer number of aid actors, funds and programmes. The last time the OECD counted, there were more than 200 bilateral and multilateral organisations channelling official development assistance. Many developing countries may have more than 40 donors financing more than 600 active projects, and may still not be on track to achieve the Millennium Development Goals.

More than 100 countries and donor organisations recognised the imperative of managing aid more rationally when, on March 2, 2005, they endorsed the Paris Declaration on Aid Effectiveness, an ambitious plan to reform the system of aid delivery.

THE PARIS DECLARATION RESTS ON FIVE COMMON-SENSE TENETS, that aid is more likely to promote development when:

- Developing countries exercise leadership over their development policies and plans (*ownership*).
- Donors base their support on countries' development strategies and systems (*alignment*).
- Donors co-ordinate their activities and minimise the cost of delivering aid (*harmonisation*).
- Developing countries and donors orient their activities to achieve the desired results (*managing for results*).
- Donors and developing countries are accountable to each other for progress in managing aid better and in achieving development results (*mutual accountability*).

In the Paris Declaration, donors and partners also committed to monitoring their progress in improving aid effectiveness against 56 specific actions, from which 12 indicators were established and targets set for 2010. This report presents the findings and recommendations of the first round of monitoring that was conducted in 2006 on the basis of activities undertaken in 2005. The conclusions of this report are based on a body of evidence from a baseline survey of 34 self-selected countries, and a comprehensive list of donor organisations covering 36% of aid programmed across the world in 2005. The conclusions clearly show that *in half of the developing countries signing on to the Paris Declaration, partners and donors have a long road ahead to meet the commitments they have undertaken*.

THIS REPORT IS DIVIDED IN TWO VOLUMES. Volume 1 (120 pages) presents an overview of key findings across the 34 countries (Chapter 1), assesses the survey process (Chapter 2), and sets out some key conclusions and recommendations (Chapter 3). A statistical appendix provides all the data that underpin the analysis. Volume 2 (400 pages) includes a detailed analysis for each of the 34 countries that undertook the survey. This Executive Summary covers the key conclusions and recommendations of the full report (Volumes 1 and 2). ■

MAIN POLICY IMPLICATIONS OF THE 2006 SURVEY

HIGH EXPECTATIONS FOR REFORM

The survey shows that the Paris Declaration has stimulated an important dialogue at country level on how to improve aid. All donor agencies have made major efforts to implement the Paris Declaration within their organisations and communicate its importance to their staff, and there has been at least some implementation activity in over 60 countries.

Regional-level initiatives to disseminate and communicate the Paris agenda have included five regional workshops on aid effectiveness in 2005-06 in Uganda, Mali, South Africa, Bolivia and the Philippines. From the shores of Lake Victoria to the heights of Santa Cruz the message came out loud and clear: one size does not fit all. *For aid to be effective, each country needs to determine its own priorities, pace and sequencing of reforms.*

At the same time, many partner countries in regional workshops and elsewhere are voicing concerns about the high transaction costs of managing foreign aid and the slow pace of change in donor practices. They see a strong disconnect between headquarters policies and in-country practices, as illustrated by continued donor-driven technical co-operation and lack of visible progress on untying aid. *Demonstrating tangible changes in practices is fundamental in sustaining momentum and achieving further progress by the next High-Level Forum in Ghana (September 2008) and the 2010 targets.*

DEEPER OWNERSHIP, MORE ACCOUNTABLE INSTITUTIONS AND SYSTEMS

The quality of partner countries' national development plans or poverty reduction strategies is one concrete measure of country ownership. *The survey findings show that national development strategies need substantial strengthening if countries are to meet the 2010 target.* In 2005, only five countries (17% of the sample) met the six criteria for sound operational development strategies. The most common failing was weakness in the mechanisms linking budget formulation and execution to national plans, policy priorities and results.

Improving transparency and accountability on the use of development resources is also an important objective of the Paris Declaration. Strengthening the credibility of the budget as a tool for governing the allocation and use of development resources (domestic and external) can not only improve the alignment of donor support, but also permit parliamentary scrutiny of government policies on development – which is key to deepening ownership. In 2005, the survey indicates, *for nearly all countries the credibility of development budgets is undermined by sizable inaccuracies in the budget estimates of aid flows.* Meeting the 2010 target will require donors and partner countries to work together so that budget estimates are both more comprehensive and more realistic, and aid is better aligned.

STRENGTHENING AND USING COUNTRY SYSTEMS

The Paris Declaration encourages donors to increasingly use strengthened country systems (for public financial management, procurement, environment, monitoring and evaluation, and other country systems) so that partner countries are empowered to develop institutions that can implement and account for their development policies and resource use to citizens and parliaments. On average, the survey shows, in 2005, 39% of aid flows for the government sector used country public financial management (PFM) and procurement systems. The degree to which donors rely on country public financial management systems varies considerably, depending at

least partly on the quality of the systems and on such other factors as the existence of reform programmes. Progress will depend on greater understanding of the development benefits and risks of using these systems, and sustained and long-term efforts to strengthen capacity. *More countries need to use performance assessment tools to reform and improve their systems (for example, the Public Expenditure and Financial Accountability (PEFA) framework for public financial management systems). Partner countries need to take the lead in defining capacity development priorities, and donors should direct their technical and other assistance to implementing co-ordinated strategies.*

INCREASING AID EFFICIENCY AND DONOR HARMONISATION

A key aim of the aid effectiveness agenda is to decrease the transaction costs of delivering aid, especially those that burden developing countries by requiring them to manage multiple programmes using different donor procedures.

The survey provides clear evidence that the cost of managing aid is high for partner countries. On a business-as-usual basis, transaction costs for partner countries can be expected to increase significantly as the volume of aid is scaled up, new (emerging) donors become more active and further special initiatives are created. *Donors will need to work aggressively to reduce the transaction costs of delivering and managing aid.* They should give special attention to: increasing complementarity and rationalising division of labour; making greater use of local harmonisation and alignment action plans, and of sector-wide and programme-based approaches; expanding use of delegated co-operation and other innovative approaches; and reducing the number of project implementation units and better integrating them into ministries.

Donors and partners must acknowledge that initially there are new costs associated with doing business differently. *These costs constitute an up-front investment in doing business more effectively and should be factored into operational budgets and allocation of staff time.*

MANAGING FOR RESULTS

The commitments on management for development results call for donors and partner countries to direct resources to achieving results, and using information on results to improve decision making and programme performance. The survey suggests that translating evidence on results into processes of policy improvement remains a major challenge in the large majority of surveyed countries. *Countries and donors should use performance assessment frameworks and more cost-effective results-oriented reporting.* This, too, will require donors to invest in capacity development and rely more on country results reporting systems.

MUTUAL ACCOUNTABILITY

The Paris Declaration introduced the concept of mutual accountability – that aid is more effective when donors and partner governments are not only accountable to their respective publics for the use of resources to achieve development results, but are also accountable to each other for better management of aid. The survey shows that the work to establish specific mechanisms for joint monitoring of aid effectiveness commitments at country level is just beginning, and more efforts will be needed to achieve the target by 2010. *Aid effectiveness issues and results need to be discussed more explicitly at country level, and credible monitoring mechanisms need to be developed.*

REORIENTING CORPORATE-LEVEL INCENTIVES

Most development agencies have taken important steps to advance implementation of the Paris Declaration, and donor field missions have increased their local efforts to align and harmonise their programmes. Nevertheless, the survey suggests that, at the corporate level, a number of hurdles work against donors' ability to meet the commitments made in Paris. For example, in many agencies the Paris Declaration is still principally owned by policy staff at headquarters, while at country level, harmonisation tasks are sometimes seen as getting in the way of efforts to achieve tangible development results. *At the corporate level, policy makers are encouraged to review rules and procedures that get in the way of meeting the Paris commitments.* For example, pressure to commit and disburse funds, limited flexibility for staff to devote time to co-ordination, and high staff turnover, which create incentives that reward short-term benefits over longer-term, and collective, gains.

IMPROVING MONITORING OF THE PARIS DECLARATION

It is evident from the feedback on the baseline survey and the challenges described in Chapter 2 that the interim progress survey planned for 2008 will need to be improved in several ways. Planned changes include: improving the guidance; clarifying and standardising the definitions; complementing the scope of the survey with localised and qualitative data; expanding country coverage; including more fragile states; strengthening the role of National Co-ordinators; reducing the burden to partners and donors in filling out the survey; and ensuring that the 2007 aid disbursement data is collected at country level well before the end of the first quarter of 2008. Organising a successful second round of monitoring, in such a short period of time, is no small undertaking. It will require very careful planning, communication and early involvement of donors and partner countries. Beyond the survey, a medium-term monitoring plan is being developed for regional and national integration of ongoing monitoring efforts, planned evaluations, donor self-reporting and DAC peer reviews. The medium-term monitoring plan will also suggest what strategic use could be made of the survey results at the country, regional or international levels. ■

KEY POLICY RECOMMENDATIONS

The survey findings and the discussions that have taken place around them point to *six major priority areas that need policy makers' attention right now* if countries and donors are to accelerate progress towards achieving the Paris Declaration commitments.

1. *Partner countries need to deepen their ownership of the development process* by engaging their citizens and parliaments more fully in planning and assessing their development policies and programmes. They should also increase efforts to link their plans much more closely to their budget and results frameworks.
2. *Donors need to support these efforts by making better use of partners' national budgets* to align their programmes with country priorities. They also need to improve the transparency and predictability of aid flows by sharing timely and accurate information on intended and actual disbursements with budget authorities.
3. *Partner countries need to take the lead in determining priority programmes of capacity development*, especially those needed to improve country systems. Donors can help by better co-ordinating their technical assistance with country priorities and fully involving partners when commissioning technical assistance.
4. *To further harmonisation, donors must work aggressively to reduce the transaction costs of delivering and managing aid.* They should give special attention to enhancing complementarity and rationalising the division of labour; increasing use of local harmonisation and alignment action plans; increasing use of programme-based approaches such as sector-wide approaches and budget support; expanding reliance on delegated co-operation and other innovative approaches; reducing the number of project implementation units and better integrating them into ministries; and increasing efforts on untying as encouraged by the DAC recommendation.
5. *To promote managing for results, countries and donors should make greater use of performance assessment frameworks* and more cost-effective results-oriented reporting. This, too, will require donors to invest further in capacity development and increase their use of country results reporting systems.
6. *To begin addressing mutual accountability commitments, countries and donors should clearly define a mutual action agenda* and discuss aid effectiveness progress and development results more explicitly at country level by using country dialogue mechanisms (e.g. revamped Consultative Group and round table meetings) and developing credible monitoring mechanisms where needed. ■

1 KEY FINDINGS FROM THE SURVEY

ACRONYMS

AER	<i>Aid Effectiveness Review</i>
CDF	<i>Comprehensive Development Framework</i>
CFAA	<i>Country Financial Accountability Assessment</i>
CPIA	<i>Country Policy and Institutional Assessment</i>
DBS	<i>direct budget support</i>
HAP	<i>Harmonisation Action Plan</i>
IDA	<i>International Development Association</i>
LICUS	<i>Low-Income Countries Under Stress</i>
MTEF	<i>medium-term expenditure framework</i>
NDS	<i>National Development Strategy</i>
ODA	<i>official development assistance</i>
PAF	<i>performance assessment framework</i>
PBA	<i>programme-based approach</i>
PEFA	<i>Public Expenditure and Financial Accountability</i>
PFM	<i>public financial management</i>
PIU	<i>project implementation unit</i>
PSRP	<i>Poverty Reduction Strategy Paper</i>
PRS	<i>Poverty Reduction Strategy</i>
SWAp	<i>sector-wide approach</i>

THIS CHAPTER PROVIDES AN OVERVIEW of the survey findings. The survey process is described and assessed in Chapter 2. Major conclusions, lessons and recommendations arising from the exercise are drawn together in Chapter 3.

Like the country studies on which it is based, this chapter draws principally on the survey returns completed in September 2006 under the auspices of the National Co-ordinator for each country. A second important source is the World Bank's 2005 Comprehensive Development Framework Progress Report (henceforth CDF Progress Report) and the corresponding country profiles. The updated country profiles prepared for the Bank's forthcoming Aid Effectiveness Review (henceforth AER) have also been consulted. The quantitative assessments for 2005 contained in the CDF Progress Report are the agreed basis for Indicators 1 (country strategies) and 11 (performance assessment systems). Finally, the World Bank's annual Country Policy and Institutional Assessment (CPIA) is the source for Indicator 2a (quality of public financial management), and OECD data are used on aid tying. These sources are listed at the end of the chapter.

THE PARIS DECLARATION is a joint undertaking on the part of the donor community and partner countries. The commitments are highly interdependent. That is, they are only likely to be realised through a combined effort that acts on both sides of the problem. For example, country ownership of development efforts depends to a significant degree on donor behaviour, while several dimensions of alignment depend on actions by countries. Because of this interdependence, the baseline situation in a country can be significantly influenced by the size and composition of the country's donor community. The reverse also applies. The baselines for each donor agency will be affected by the pattern of its engagement across countries. In presenting the results, this chapter takes into account the possible influence of this type of factor along with other limitations on comparability across countries and across donors, such as variations in reporting.

OWNERSHIP

OWNERSHIP IS THE FIRST of the five thematic headings of the Paris Declaration – the apex of a conceptual pyramid whose other building blocks are aid alignment, aid harmonisation, managing for results and mutual accountability (Figure 1.1). It comes first because experience shows that aid is most effective when it supports countries' own development efforts and policies to which leaders, officials and citizens of the country are truly committed. It is less effective where the policies are donor-driven.

The eventual state of affairs visualised by the Paris Declaration is one in which partner countries exercise effective leadership over their development policies and strategies, and co-ordinate the efforts of development actors working in the national territory. This obviously has several dimensions, some easily measured or assessed and others not.

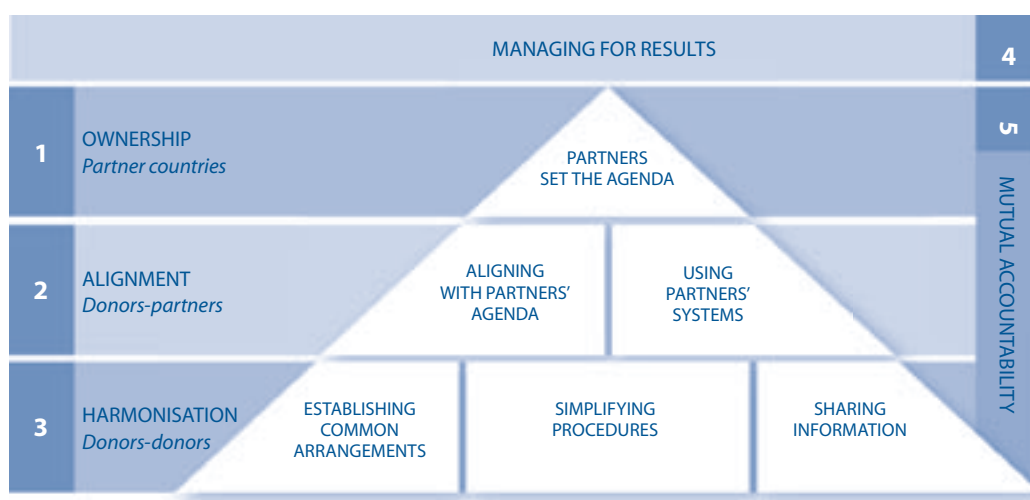
The degree to which governments take the lead in co-ordinating aid-funded activities is the subject of a specific commitment in the Paris Declaration. It is also a variable that seems to be subject to significant changes over time. Another dimension of ownership is the degree to which countries have development strategies that are clear and well operationalised, so that development efforts are effective and there is a robust basis for the alignment of aid with country policies. This is the focus of Indicator 1 of the baseline survey. The following discussion focuses mainly on these two linked dimensions of ownership.

LEADERSHIP IN AID CO-ORDINATION

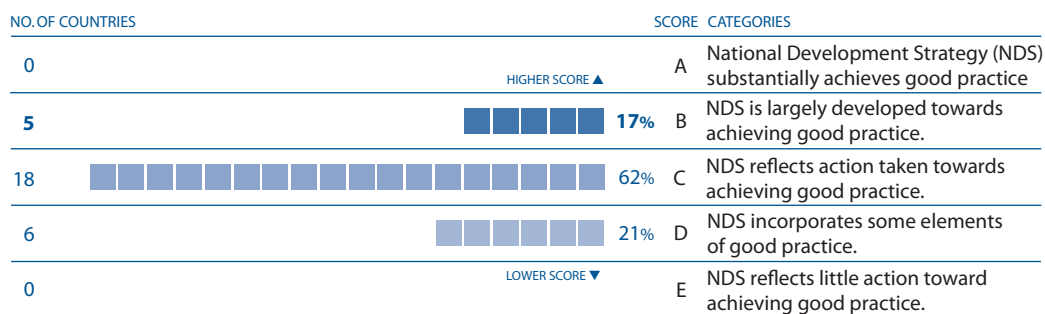
Both the survey returns and the World Bank sources (CDF Progress Report and AER) suggest that governments are more inclined and capable than they were only a few years ago to assume a leadership role in aid co-ordination. This seems to be true both in aid-dependent countries such as Mali or Tanzania and in those that rely to a more limited extent on external grant funding, such as Peru. The trend initiated during the piloting of the CDF – that of holding Consultative Group meetings in country, with the national government co-chairing the event – has become more common. Increasingly, government officials also convene sector working groups or round tables and thereby exercise a leadership role in relation to donors in sectors, although this remains much more common in the health and education sectors than in fields where policies and aid efforts are more diffuse. Little by little, governments are prepared to set frameworks with which they expect donors to comply.

Indicators of the willingness and ability of countries to assert themselves in this way are included in other sections of the survey that consider the degree to which aid data are captured in the national budget or the government accounts (Indicators 3 and 7) and the use of programme-based approaches, for which a country-led policy framework is a necessary condition (Indicator 9). The discussion of these variables points to the degree to which country leadership is in part a

FIGURE 1.1:
The Aid
Effectiveness
Pyramid



Operational value of national development strategies



Source: World Bank CDF Progress Report for 2005.

function of donors' willingness to give up some of their independence of action. However, donors cannot by themselves create this (or any other) aspect of country ownership. The interest of the country's senior officials and, most importantly, its politicians in setting the agenda for development efforts is a variable that is not directly captured by any of the Paris Declaration indicators but is crucial to the whole venture.

OPERATIONAL DEVELOPMENT STRATEGY

The 2005 CDF Progress Report upon which the survey report draws for Indicator 1 specifies that an operational strategy calls for: a coherent long-term vision and a medium-term strategy derived from it; specific targets serving a holistic, balanced and well-sequenced development strategy; and capacity and resources for its implementation. While the necessary components of a robust development policy framework can be described in a number of different ways, this approach from the World Bank is largely commonsensical and ought to be widely accepted. It gives significant weight to the provision of resources for implementation, as well as to prioritisation and sequencing and the derivation of medium-term objectives from a long-term vision. The scoring reflects the weighting of these different concerns.

Chart 1.1 shows the distribution for Indicator 1 of the countries that were both included in the baseline survey and covered by the CDF Progress Report. The CDF exercise only covered International Development Association (IDA)-eligible countries and LICUS (Low-Income Countries Under Stress) that prepared a Poverty

Reduction Strategy Paper (PRSP) or Interim PRSP. Appendix Table A.1 provides more detail. The country profiles on which the scores are based have been updated for the purposes of the forthcoming AER, and some of the placing may change as a result. However, in 2005 the position was that only five countries, or 17% of the total, had national development strategies considered "largely developed towards achieving good practice" (category B). There were no cases of strategies considered to "substantially achieve good practice" (category A). From the country descriptions, it is clear that this reflects some rather general patterns of strength and weakness in country policy frameworks.

In very many cases – including virtually all IDA countries that have prepared PRSPs – governments have produced documents that begin with a vision and derive from it a medium-term policy framework consisting of broad fields or "pillars" of development effort. Increasingly, the strategies are comprehensive and reasonably well balanced, but they tend to fall down on prioritisation and sequencing. The latter are the key features needed for a realistic implementation plan, given human and material resource constraints. Some countries do have costed targets and operational priorities. However, it is not always the case that these are well specified in terms of government activities, or that there are mechanisms ensuring that prioritised activities actually get the required resources and implementation capacities. This depends on the linkage of the strategy to a fiscal policy and budget process that raise new resources, reallocate existing resources and stimulate the

INDICATOR 1

CHART 1.1:
Do countries
have operational
development
strategies?

efficient use of resources for priority purposes. Operationalisation in these senses is often particularly weak at local tiers of government.

The agreed target for this indicator is to raise the proportion of partner countries with largely or substantially developed operational strategies (category A or B) to 75%. The baseline numbers suggest that this is a difficult challenge, but not a completely unrealistic one. Encouragingly, three out of the five countries rated B in 2005 are countries that have been in the vanguard of the PRSP initiative, having submitted three annual progress reports and a second-generation PRSP by the end of 2006.

The main factor that would enable more countries to move a step up from their 2005 ratings is a commitment by governments to using their central resource allocation instrument, the national budget, in a more vigorous and consistent way to support agreed policy priorities. Technical improvements in budget preparation and execution will help in this respect. In particular, the use of medium-term expenditure frameworks (MTEFs) is commonly seen as a key to improving plan-budget linkage. However, this is only the case when the MTEF is used as a policy instrument, steering annual budgets in desired directions, and it can only work if the policy priorities are agreed. The benefits from technical improvements in this area are much affected by the position that development occupies among the country leadership's priorities. In practice, strategies tend to be more operational the closer they are to the driving political concerns of the president, cabinet or governing party.

In summary, the Paris Declaration commitment to strengthening country ownership of development efforts poses a substantial challenge. The baseline situation, with only 17% of surveyed countries having operational development strategies meeting the agreed quality threshold, leaves a great deal to be done if the target proportion of 75% is to be met by 2010. What needs to be done is clear enough. It is also clear that, because the challenges are as much political as technical, the primary impetus for change must come from within countries.

THE PARIS DECLARATION visualises a situation in which donors base their support fully on partner countries' development strategies, institutions and procedures. Experience suggests that aid that is well aligned – with country-owned policies on the one hand and with country systems on the other – makes a bigger contribution to development than aid that is donor-driven and fragmented. As with ownership, alignment has several dimensions, and measuring it is challenging. Today bilateral and multilateral donors with few exceptions base their support in at least a general way on established country policy frameworks, be these Poverty Reduction Strategies (PRs), national plans or sector strategies. However, donor choices are only significantly restricted if the strategies are quite well prioritised and translated into definite activities, which is the exception rather than the rule. For this reason, the monitoring plan of the Paris Declaration aims to set some measures of progress on alignment that demand a greater effort on the part of donors and imply more than a formal acknowledgement of country policies.

The commitments on alignment are mutual, and some of them call for joint action by donors and governments. It is recognised that policy alignment needs to develop alongside the operationalisation of the country's development vision, so that the two processes reinforce each other. At the same time, alignment of aid with country systems entails both efforts by governments to improve the reliability of those systems and efforts by donors to remove barriers to their utilisation that originate in agency rules or operational habits. For this reason, the Paris Declaration demands a stepping up of the pace of change on several aspects of aid alignment, but the specific targets to be achieved by 2010 take into account the baseline situation regarding the reliability of country systems.

BUILDING RELIABLE COUNTRY SYSTEMS

Indicator 2 will eventually cover two aspects of country systems, public financial management (Indicator 2a) and procurement (Indicator 2b). In each case, the focus will be on the degree to which existing systems adhere to broadly accepted good practices or there is a reform programme

in place to promote improved practices. The survey returns and CDF Progress Report and AER country profiles contain some information on the improvement of country procurement systems, and this is reflected in the country chapters. However, no systematic and quantified assessments of procurement-system quality are available at this point. Therefore, this overview focuses on public financial management (PFM).

The assessment of PFM systems is based on a component of the World Bank's CPIA. CPIA Indicator 13 is a measure of the quality of a country's budget and financial management system. It assesses the degree to which the country's arrangements include:

- A comprehensive and credible budget linked to policy priorities.
- Effective financial management systems for budget expenditure and budget revenues.
- Timely and accurate fiscal reporting.
- Clear and balanced assignment of expenditures and revenues to each level of government.

Previously not in the public domain, CPIA ratings are now published by the Bank for IDA-eligible countries only. Appendix Table A.2 shows the 2005 scores for the surveyed countries covered by the published assessments. **Chart 1.2** shows the distribution across the scores. The bulk of the countries covered are within or between the

Moderately weak and Moderately strong categories. Some 31% of the countries have systems considered at least moderately strong. *The Paris Declaration target is that half of partner countries move up at least half a point by 2010.*

The published CPIA information does not break the scores down by component. However, from the survey returns and CDF Progress Report and AER profiles, it is possible to identify for each country the areas in which PFM reform efforts are in place and are having effects, as well as the areas of continuing weakness. The general picture is that joint exercises such as Country Financial Accountability Assessments (CFAAs) and increasingly Public Expenditure and Financial Accountability (PEFA) assessments are now being widely undertaken, leading to the adoption by governments of action plans for PFM improvement. The countries scoring at the higher end of the central range from 2.0 to 4.5 are those that have made most headway in ensuring the national budget is a credible estimate of actual revenues and expenditures, and in providing a mechanism linking budget formulation and execution to formally agreed policy priorities. Those countries usually have technical systems that assist in the management and reporting of financial flows between sector and tiers of government. However, the main requirement is not technical. A significant political will seems to lie behind most successful efforts to improve

Quality of country public financial management systems

NO. OF COUNTRIES		SCORE	CATEGORY
0	LOWER SCORE ▲	0%	1.0
0		0%	1.5
1		3%	2.0
3		10%	2.5
5		17%	3.0
11		38%	3.5
8		28%	4.0
1		3%	4.5
0		0%	5.0
0		0%	5.5
0	HIGHER SCORE ▼	0%	6.0

Source: World Bank Country Policy and Institutional Assessment (CPIA), 2005.

INDICATOR 2A

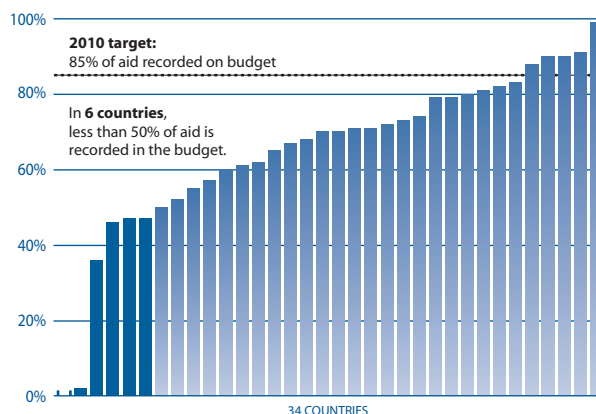
CHART 1.2:
How reliable
are country
public financial
systems?

INDICATOR 3

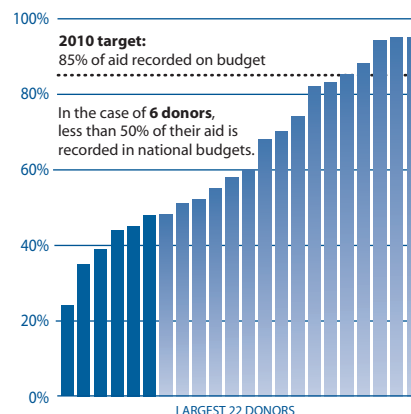
CHART 1.3:
Do national
budgets record
aid realistically?

Percentage of aid recorded in countries' national budgets

Country-by-country



Donor-by donor



PFM systems. In a number of survey countries, the key barrier to an improved score seems to lie in financial management at sub-national levels.

To summarise, it is again relatively clear what is needed for countries to achieve progress in this area: decisive leadership. On experience, moving a country half a point up the CPIA PFM scale is an attainable objective so long as political leaders recognise the importance of credible public finances to their countries' future and transmit this message to their officials. The biggest challenge will be ensuring that these steps are taken by at least half of the partner countries included in the surveys.

ALIGNING AID FLOWS WITH NATIONAL PRIORITIES

Indicator 3 assumes that donors orient their aid in a broad way to the objectives set out in a PRS or national or sectoral development plan, and goes on to ask the more specific and telling question of how well external financial flows are reflected in the national budget. As noted above, there is some doubt about the ability of national development strategy to govern the actual allocation and use of resources in a good many partner countries. There may also be questions about the credibility of the budget. Nevertheless, the formulation of the budget is a central feature of the formal policy process in all countries. So the degree to which

donor financial contributions to the government sector are fully and accurately reflected in the budget provides a relevant indicator of the degree to which there is a serious effort to connect aid with country policies and policy processes. The indicator is the percentage of aid disbursements to the government sector reported by donors that is included in the budget estimates for the same financial year. *The target is to halve the proportion of aid disbursements to the government sector not included in the budget by 2010, with at least 85% reported on budget.*

Appendix Tables A.3 and B.3 show the raw numbers for aid disbursements and aid included in the budget, by country and by donor. These show that there are discrepancies in both directions, as budgets both under-include aid flows and over-include them. In other words, budgets are unrealistic in two opposite directions. This needs to be taken into account in assessing the baseline position against which future progress will be measured.

If one focuses on the size of the discrepancies (leaving aside their direction), one gets a measure of the overall extent to which budgets are realistic in respect of disbursed aid. This measure (the baseline ratio) is 88% when calculated on a weighted average basis (Table A.3). **Chart 1.3** shows the individual averages for countries and donors respectively.

The chart shows that the discrepancy between the budget numbers and actual disbursements is considerable in many of the surveyed countries, with half of them showing a measure of budget realism of 70% or less. For a fair number of donors, performance is substantially below this level (Indeed the performance, unweighted by the volume of aid, is 45%). The agreed target of reducing the budget inclusion gap by half means raising the aggregate baseline ratio to 94% by 2010, with 85% as a minimum acceptable level. This will call for substantial efforts in several countries and by a number of agencies.

Like several of the alignment indicators, Indicator 3 is influenced by both country and donor efforts. It also captures the effects of more than one type of factor. According to the survey returns, in-country donors and government officials see the shortcomings of current practice as the compound effect of three rather general problems:

- Donors are not always attentive to getting information on intended disbursements to the budget authorities in good time and in a usable form, resulting in systematic under-inclusion of aid in the budget.
- When donors do provide such information, they are not always realistic about their ability to disburse on schedule, resulting in a tendency to over-estimate some kinds of aid flows and under-estimate others.
- Budget authorities are often not strongly motivated or equipped to capture information on donor disbursement intentions, or to make realistic estimates of shortfalls, resulting in both over- and under-counting on quite a large scale.

In **Box 1.1**, there are two contrasting country illustrations.

As this suggests, the discrepancies in the budget numbers include a significant element due to non-disbursement of scheduled funds or to unscheduled disbursements – in other words the problem of low aid predictability, as opposed to weak information capture. Predictability is considered directly in the discussion of Indicator 7

**BOX 1.1 INCLUDING AID IN THE BUDGET:
TWO COUNTRY EXAMPLES**

“Even though there is substantial variation..., Indicator 3 shows great achievements in terms of integrating aid flows in the national budget... Improvements in the quality and timeliness of development partners’ projection reports to the Ministry of Finance, a better system for gathering and maintaining this data within the Ministry of Finance, as well as improved dialogue between the Ministry of Finance, other ministries, departments, agencies, regions and local government authorities... have contributed to this progress. Nevertheless, difficulties remain for the government in obtaining complete and reliable projections from development partners in particular for the second and third year of the MTEF period... Challenges in closing the remaining gap between actual disbursements and aid commitments in the annual national budget relate to problems of aid predictability associated in particular with the project funding modality.” (**Tanzania**)

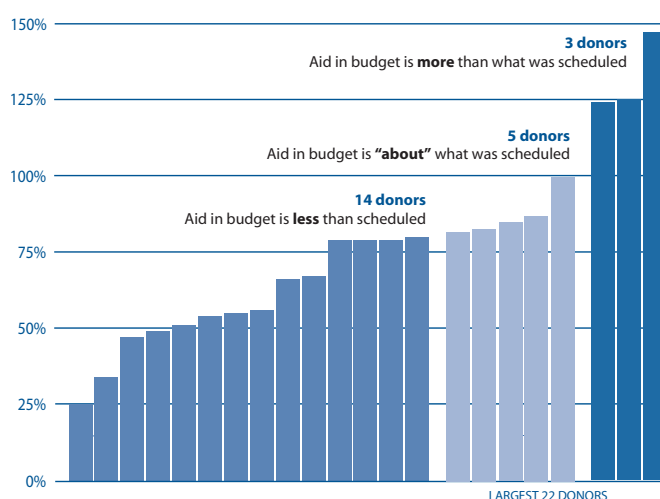
“The discrepancies that are noted are more or less substantial, but in general very significant. It is sometimes impossible to explain them given the low level of detail in the government document. Certain donors explain the discrepancy by the fact that the table provided by the government only presents the Special Investment Budget, which does not take account of certain financial contributions. Another reason is probably communication problems, between the different parts of the administration as well as between the government and donors.” (**Mali**)

below. Using the numbers presented there, it is possible to factor out the predictability problem and focus on the degree of information capture. This analysis, with results presented in **Chart 1.4**, reveals the extent to which lack of budget realism arises from the combination of poor reporting of disbursement intentions by donors and limited information capture by budget authorities.

The chart shows that budgets capture nearly all aid for only two countries (9% of the sample) of the donors scored. Scheduled donor disbursements to the government sector are poorly reported and/or insufficiently captured to a greater or lesser degree in the case of 78% of the donors. Over-estimation of scheduled disbursements in the budget is restricted to smaller donors, one regional development bank and one large bilateral.

CHART 1.4:
Do budgets
report donor
disbursement
plans realistically?

Aid recorded in budgets as a percentage of donors' scheduled disbursements



Definition of accurate reporting

This chart tells us how many donors have their scheduled aid accurately reported in budgets.

In practice, aid recorded in budgets is usually less or much less than what donors expect to disburse. In this case (ratio less than 80%), scheduled aid is said to be **under-reported**.

Less frequently, aid recorded in budgets is more or much more than what donors expect to disburse (ratio more than 120%). In this case, scheduled aid is **over-reported**.

Aid is reported accurately when aid recorded in budget matches aid scheduled for disbursement by donors (ratio between 80% and 120%).

The differences across donors may reflect not so much failure of notification as the different degrees to which donors are engaged in countries where information capture by the budget authorities is weak. The detailed figures nonetheless reveal quite striking differences among agencies that are involved in similar numbers and types of countries.

To summarise, meeting the Paris objective will call for a concerted assault on several distinct problems which together compromise the ability of the budget to serve as a full and accurate record of donor financial contributions. They include failures of both information supply and information capture in regard to donor disbursement intentions. They also include lack of realism, on the part of the donors, the budget authorities or both, about the prospects of funds being disbursed on schedule. The precise focus of the necessary efforts will vary somewhat among countries and among modalities of aid delivery. Almost everywhere, however, action will be needed from both donors and country authorities.

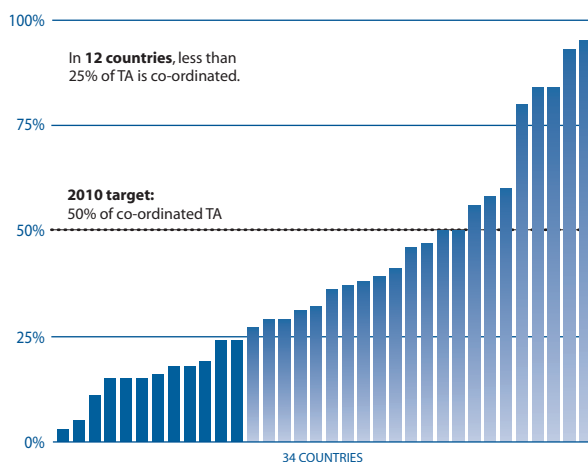
CO-ORDINATING SUPPORT TO STRENGTHEN CAPACITY

In the Paris Declaration, capacity improvements are seen critical to improving development results as well as to achieving objectives of ownership, aid alignment and mutual accountability. It is increasingly recognised that capacity development involves changes in institutional rules and organisational systems, not just training and the transfer of expertise. Likewise, successful capacity development is seen as necessarily endogenous – led by country actors with clear objectives, making effective use of existing capacities and harmonising external support within this framework. Indicator 4 focuses on the extent to which donor technical co-operation – as one input into capacity development – is moving towards this country-led model. Donor survey respondents were asked to identify technical co-operation support meeting all of four criteria:

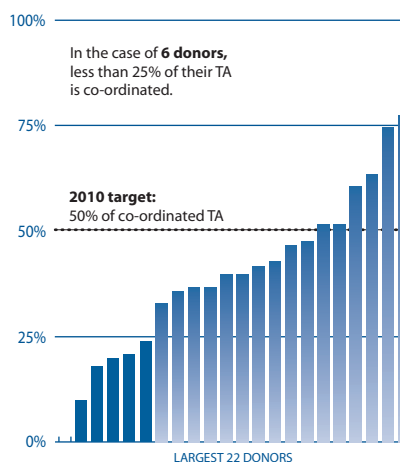
- The programmes support partners' national development strategies.
- Partner countries exercise effective leadership over the capacity development programme supported by donors, implying clearly communicated objectives from senior officials.
- Donors integrate their support within country-led programmes to strengthen capacity development.

Co-ordinated technical assistance as a percentage of total TA

Country-by-country



Donor-by-donor



INDICATOR 4

CHART 1.5:
How much
technical
assistance is
co-ordinated
through country
programmes?

■ Where more than one donor is involved, arrangements for co-ordinating donor contributions are in place (for example, pooling of resources).

The agreed target is to have 50% of technical co-operation in co-ordinated programmes, defined in this way, by 2010.

As the country chapters explain, several National Co-ordinators took the view that in 2005 there were no technical co-operation programmes in the country meeting all four criteria, making the true baseline zero percent. The element most often missing was effective country leadership based on a specific strategic vision for capacity development. Donor respondents, on the other hand, took the view (sometimes individually and sometimes jointly and with government assent) that the definition in the survey guidance was too stringent. Very different views emerged on what should count as co-ordination and as government leadership. The numbers generated by the survey therefore include technical co-operation efforts that are co-ordinated in a relatively loose sense, with the accent on consistency with the relevant policy framework (e.g. a sector strategy or PFM action plan) rather than on the presence of a specific country initiative for capacity development. Box 1.2 illustrates.

BOX 1.2 WHAT IS CO-ORDINATED CAPACITY DEVELOPMENT? THREE COUNTRY APPROACHES

"The government will dedicate itself in the framework of sectoral dialogue with donors to... define the co-ordinated programmes of capacity strengthening needed to improve the impact of the sector programmes."
(Burkina Faso)

"All the development partners complained about the difficulties of interpretation of the "co-ordinated technical assistance". Most of the donors considered technical assistance agreed with the government as co-ordinated... Some donors considered the bulk or all of their assistance as co-ordinated."
(Ghana)

"In the Nicaraguan case, it has been considered that technical co-operation... that can be included as co-ordinated is that which is supporting priorities explicitly defined by the government, sector approaches or other programme-based approaches. This co-ordination will have been formalised in a document (for example, a bilateral agreement, a memorandum of understanding or resolution of a sector working group)."
(Nicaragua)

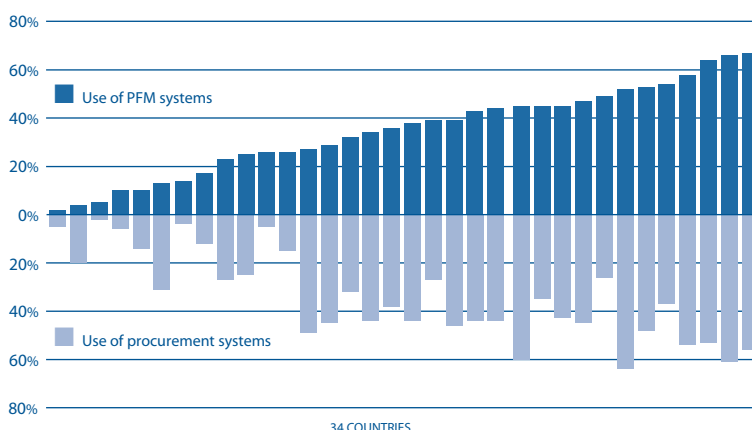
The aggregate baseline figure of 47% for this indicator (Appendix Tables A.4 and B.4) might suggest that little needs to be done to achieve the target. However, that would not be a valid conclusion. As Chart 1.5 reveals, the dispersion of the results both by country and by donor is far greater than can plausibly be explained by real differences in co-ordination levels. Conceptual

INDICATOR 5

CHART 1.6:

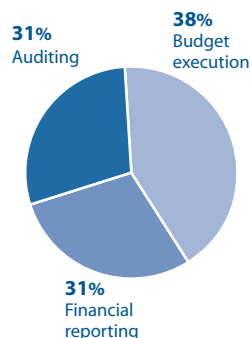
How much aid for the government sectors uses country systems?

Use of country systems as a percentage of aid for government
Country-by-country



34 COUNTRIES

Use of country PFM systems
broken down by component



differences leading to divergences in reporting are a more likely explanation.

This is unfortunate from the point of view of establishing a robust baseline. The survey results on Indicator 4 provide a benchmark against which future progress can be measured only if each agency and country applies the same standards of assessment year by year. This will be difficult to ensure. On the other hand, the results may be seen as providing a welcome wake-up call to the international community. The Paris Declaration's vision of the future needs of capacity development is clearly not just unfinished business, but business that has barely begun.

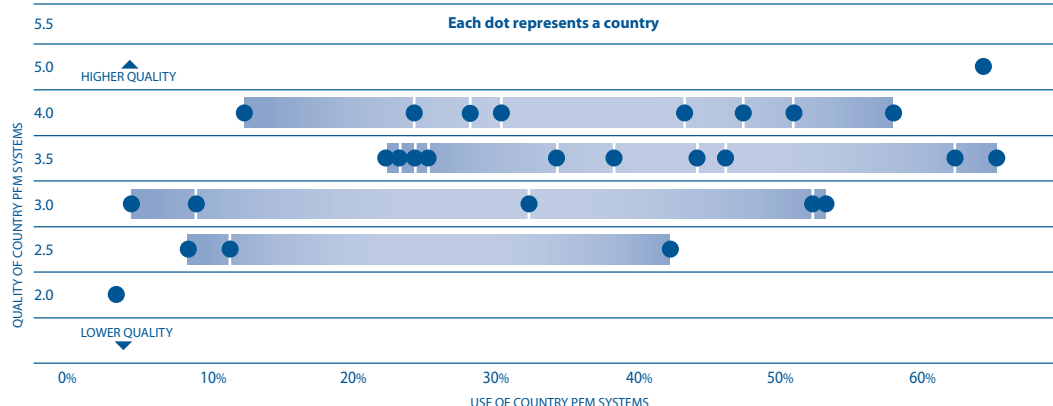
In summary, the baseline position regarding the Paris Declaration commitments on capacity development is not as favourable as the figure of 47% (against a 2010 target of 50%) might appear to suggest (Indeed the unweighted average is only 9%). The survey has revealed quite a profound lack of consensus on valid approaches to capacity development and the meaning of the Paris commitments in this area. This should prompt further efforts to disseminate and evaluate the evidence that lies behind the Paris vision. Donors and partners should be reviewing, in the light of this evidence, whether the expectations they currently have of each other and of themselves on this issue are sufficiently far-sighted and ambitious.

USING COUNTRY SYSTEMS

Indicator 5 provides a relatively unambiguous and telling measure of the degree to which systems alignment is taking place. Together with the CPIA rating on PFM quality and the anticipated assessment of procurement systems, it provides a set of realistic targets towards which donors and country authorities may be expected to work together.

This said, the indicator is not entirely free of measurement problems. After thorough review of the data submitted, some concerns remain about the way the survey questions on Indicator 5 were interpreted in some countries and by some donors. For example, for several countries it is not clear that all of the programmes included as using country budget execution systems are accurately described as “subject to normal country budgetary execution procedures, namely procedures for authorisation, approval and payment” (as specified in the survey's Definitions and Guidance paper). There are also some grey areas affecting the interpretation of the indicator. For example, authorisation procedures that are formally those laid down in the country's laws and public-sector financial regulations can be subject to a large degree of *de jure* or *de facto* delegation, meaning that the “use of country systems” is somewhat nominal. Together, these factors may mean that the numbers overstate somewhat the effective use of country systems.

Quality of country PFM systems vs. use of country PFM systems
Country-by-country



Findings

1. There is a correlation between quality of PFM systems and use of PFM systems by donors. But correlation is very weak ($R^2=21\%$).

2. There is a very broad range of use of country systems within the group of countries that share the same score for quality of PFM systems.

In **Chart 1.6** (based on Appendix Table A.5) the bars on the left represent the range of results across countries, for the average utilisation of three components of country PFM systems (budget execution, financial reporting and audit) and for country procurement systems. This shows considerable variation in the use of country systems across countries. In aggregate, the utilisation of country procurement systems is comparable with the average use of PFM systems (39% in both cases). However, there is little correspondence between the two rates country-by-country. The pie chart on the right shows how the total measured use of the three PFM components. It suggests that slightly more use is made of countries budget execution systems.

There is no agreed target for increasing use of country procurement systems, as the Indicator 5 targets are layered according to a measure of systems quality, and there is as yet no scoring arrangement for procurement.¹ *For countries that have a current CPIA rating for PFM systems between 3.5 and 4.5, the target for 2010 is to reduce by one-third the non-utilisation of country systems, using the average rates across the three components.* If in the future country

PFM quality remains largely in the range 3.5–4.5, aggregate utilisation will need to rise to 59%. It is clear that compared to the unweighted average of 33%, this will be a substantial challenge for many donors.

This becomes apparent when the use of country PFM systems is plotted against the agreed measure of the quality of those systems (Indicator 2a), as in **Chart 1.7**. The chart tells us two important things. First, there may be a relationship of some kind between the quality of a country's PFM systems and the use that is being made of them by donors as envisaged by the Paris Declaration. That is, the stronger the country systems, the more likely donors are to use them. However, if so, the correlation is very weak. There is a very wide spread in use of country systems within the group of countries that have the same quality of PFM systems. Take for example, the eight countries that have moderately strong PFM systems (score=4.0). Use of country systems ranges from 14% (minimum value) to 56% (maximum value). This suggests that factors other than quality of systems are affecting donors' willingness to use them. The breakdown by donor in Appendix Table B.5 is consistent with this conclusion.

CHART 1.7:
What drives use
of country PFM
systems?

Although the survey data do not allow us to confirm this, it seems likely that the use of country PFM systems has increased in recent years as a result of the movement towards general or sector budget support. In a number of countries covered by the survey, budget support or a few large programmes account for almost all of the use of country systems. There are different ways of viewing this. It could be interpreted as a sign of movement towards Paris Declaration objectives. However, it could be taken to indicate that there is little commitment to the use of country systems among donors other than those providing budget support.

To summarise, the degree to which donors make use of country PFM systems is highly variable, and little of the variation is explained by differences in the measured quality of the systems. If, as 2010 approaches, some donors continue to make little use of country systems even when these are rated by the CPIA as comparatively strong, the overall performance targets on this indicator will be hard to meet, and donor seriousness about one of the fundamental Paris Declaration commitments will be open to question.

AVOIDING PARALLEL IMPLEMENTATION STRUCTURES

The Paris Declaration invites donors to “avoid, to the maximum extent possible, creating dedicated structures for day-to-day management and implementation of aid-financed projects and programmes”. Indicator 6 is a count of parallel project implementation units (PIUs), where “parallel” refers to having been created outside existing country institutional structures. The survey guidance makes a distinction between PIUs and executing agencies and gives three typical features of parallel PIUs:

- They are accountable to the external funding agencies rather than to the country implementing agencies (ministries, departments, agencies, etc.).
- Most of the professional staff are appointed by the donor.
- The salary of PIU personnel often exceeds that of civil-service personnel.

BOX 1.3 PARALLEL PIUs: NATIONAL CO-ORDINATORS' VIEWS

“The donors have encountered problems with the definition provided... 7 donors out of 14 reported a total of 24 parallel PIUs... This information, however, may not reflect the full extent of the parallel structures used... (T)here is no system for recording them.” (Ghana)

“The PIU modality that is most common... is that of projects and programmes under the responsibility of two co-directors, one national and one nominated by the donor. While it could be argued that this is a case of a semi-integrated PIU... it is thought that it is most common that the management... falls almost exclusively to the team that reports to the donor.” (Peru)

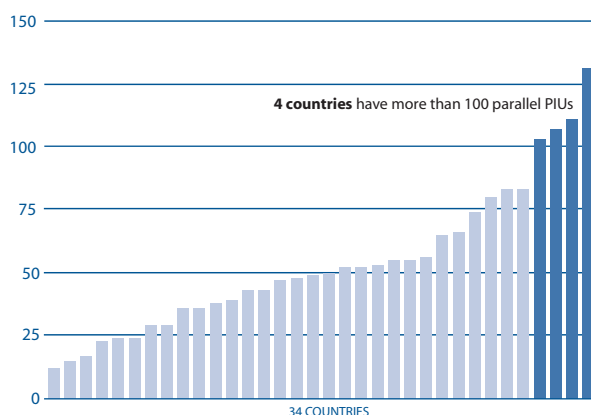
“It has been found difficult to agree on the definition of a “parallel unit”, which has led to very diverse and varied responses, and changes to responses... In future, it is recommended that the survey follows either the international definitions of the OECD-DAC or definitions that are appropriate to our national context.” (Senegal)

“Some partners are making an effort to move away from the use of parallel PIUs. For example, the World Bank-financed projects on public financial management and rural education... integrate some of their functions in the respective ministries. However, these units still cannot be considered integrated because they are not component parts of an existing institutional structure; salary amounts exceed those of public employees and the donor is ultimately the one who takes the final decision...” (Moldova)

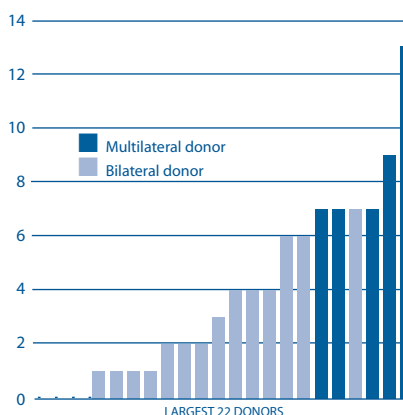
“The principal problem in reducing PIUs is the need to reduce at the same time the use of procedures that are not those of the country. If a PIU is eliminated but the co-operation agency continues to require use of its procedures, the government departments will be overloaded with work...” (Nicaragua)

Interpretation of the survey question on this subject was controversial in a number of countries. It is not clear that within countries all donors applied the same criteria with the same degree of rigour, or that across countries the same standards were used. In a number of cases, the descriptive part of the survey return indicates that some donors applied a legalistic criterion of accountability to the formal executing agency, whereas the National Co-ordinator or other donors would have preferred a greater recognition of the substantive reality of accountability to the

Number of parallel PIUs
Country-by-country



Average number of parallel PIUs per country
Donor-by-donor



INDICATOR 6

CHART 1.8:
How many
PIUs are parallel
to country
structures?

donor. It seems possible that some respondents allowed themselves to confuse the definitional question (is the unit “parallel”?) with the aid-management question (is the parallelism justified in terms of the developmental benefits and costs?). **Box 1.3** provides some illustrations.

The effect is that parallel PIUs have probably been under-counted. Nevertheless, as with other alignment measures, the survey has helped to spark a local debate on the subject, and it is to be expected that in the future it will be more common to hear conscious and explicit consideration of the trade-offs between project effectiveness and strengthening mainstream project management capacities, when projects and programmes are being designed.

The overall target is to reduce the baseline stock of 1 828 parallel PIUs by two-thirds, to only 607, by 2010. As Appendix Table A.6 and the left-hand side of **Chart 1.8** reveal, there is considerable variation in the current count across countries, no doubt reflecting differences in criteria as well as in the scale of aid disbursements. Each country is expected to contribute proportionally to the targeted reduction, whatever the basis for the baseline number. Appendix Table B.6 and the right-hand side of the chart confirm that reported parallel PIUs per country vary a good deal by donor.

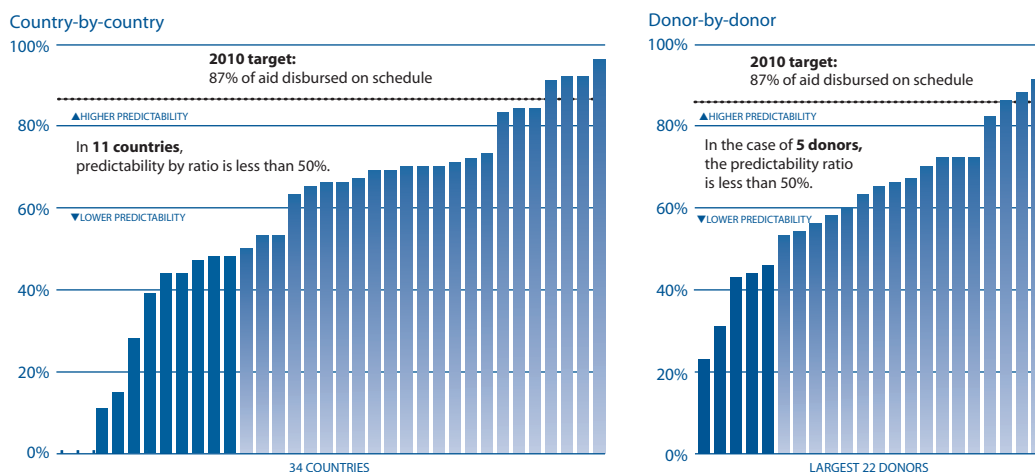
Closer analysis shows that in a few cases, these numbers appear to be in reasonable proportion to the aid disbursed per country. However, this is not always the case, with a small number of large agencies reporting a disproportionate number of parallel PIUs. These organisations may be expected to re-examine the reasons for their continued use of parallel systems. Donor organisations that have, for one reason or another, reported only a small number of projects as currently managed by parallel units face a different sort of challenge. They will be expected to show a two-thirds reduction relative to their reported current position as their contribution to implementing the Paris Declaration commitment.

The evidence brought together by the survey suggests that there is a will to change. A number of large agencies, including the World Bank and the European Commission, are frequently cited as planning to merge existing PIUs into the structures of ministries or agencies, with examples given. However, change will not be easy. The principal hurdles cited in the survey returns include the backlog of projects that were originally set up with very little concern for alignment and ownership goals, the interest of PIU employees and parent ministries in the employment conditions and fringe benefits that parallel units permit, and the unwillingness of results-conscious external funding agencies to compromise on the quality of project implementation.

INDICATOR 7

CHART 1.9:
Are disbursements
on schedule
and recorded by
government?

Aid scheduled for disbursement as a percentage of aid disbursed



To summarise, the total of 1 828 parallel PIUs in just 34 countries is of concern – particularly if there are grounds for thinking this is a low estimate. Even if the will to change is real, so that new projects are increasingly managed by mainstream government organisations, reducing this total to 609 is going to call for a substantial effort in which both donors and governments will need to participate.

PROVIDING MORE PREDICTABLE AID

In the Paris Declaration, donors undertook to provide reliable indicative pledges of aid over a multi-year span, and disburse aid in a timely and predictable fashion according to agreed schedules. Aid predictability is generally recognised to be an important factor in the ability of countries to manage public finances and undertake realistic planning for development.

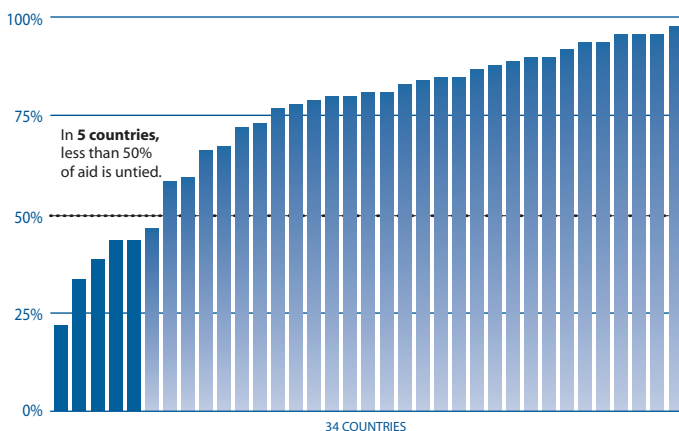
The survey data allow us to look at predictability from two different angles. The first angle is donors' and government's combined ability to disburse aid on schedule. The second angle is donors' and government's ability to record comprehensively disbursements made by donors for the government sector.

Consider first the issue of disbursement according to schedule. Across all survey countries, donors scheduled USD 18 984 million for disbursement in 2005 and actually disbursed (according to their own records) somewhat more, USD 19 406 million (Appendix Tables A7 and B7). However, these very aggregate figures mask the fact that there are cases both of under-disbursement (funds not being disbursed on schedule) and of over-disbursement (the disbursement of unscheduled amounts). This is true across both countries and donors.

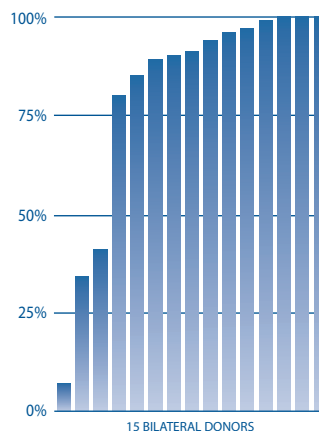
Aid is unpredictable, in this sense, for both bilaterals and multilaterals. A few of the major donors are substantial under- or over-disbursers across the countries they support. It is unclear in these cases whether the explanation has something to do with the subset of surveyed countries where those agencies are involved. A donor that gives priority to countries where project execution is frequently delayed may be expected to do poorly on this measure. There may also be good grounds for unplanned assistance at certain moments in particular countries that account for a large proportion of a given donor's global spending. If, however, these explanations do not apply, the agencies listed on both ends of the spectrum will want to consider how to improve their contribution to the Paris Declaration objective on aid predictability.

Share of untied aid

Country-by-country



Donor-by-donor



INDICATOR 8

CHART 1.10:
How much aid
is untied?

Consider now the government's ability to record disbursements. In aggregate terms, governments recorded in their accounting systems only USD 13 851 million of the USD 19 406 million actually disbursed according to donors. For almost all countries and all larger donors, disbursements were under-recorded, sometimes very substantially (Appendix Tables A7 and B7). This may reflect failure on the part of donors to notify country authorities in the appropriate way about their disbursements. It may equally reflect the inability of government systems to capture and process the information.

Indicator 7 on predictability has been designed to encourage progress in both of these areas. In other words, it seeks to improve not only the predictability of actual disbursements but also the accuracy of how they are recorded in government accounts – an important feature of ownership, accountability and transparency. It measures the degree to which funds scheduled for disbursement within a given year are recorded in government accounts as disbursed that year, ignoring the direction of any discrepancies. Calculations of this indicator for countries and donors are provided in the final column of Appendix Tables A7 and B7 (the baseline ratio). **Chart 1.9** shows the results for countries and donors respectively. It should be reminded that Indicator 7 captures

in-year rather than multi-annual predictability. As a result it is a relatively volatile measure of predictability that is likely to vary considerably from year to year.

The weighted average for this indicator in 2005 was 73% (Table A7). *The Paris Declaration objective is gradually to close the gap between this ratio and 100%, reducing it by half – so that the ratio rises to at least 87% – by 2010.*

Closing the predictability gap will require donors and government to work increasingly together on various fronts at the same time. Actions might include efforts in improving:

- The realism of predictions on volume and timing of expected disbursements.
- The way donors notify their disbursements to government.
- The comprehensiveness of government's records of disbursements made by donors.

The particular steps needed to improve predictability of aid flows vary among aid modalities as well as across countries. The survey returns include some suggestions that budget support, especially when provided within a multi-year framework and disbursed early in the year, is friendlier to aid predictability than project finance, where implementation delays can be unavoidable. On the other hand, budget support faces predictability problems

of its own arising from performance-based variable tranches, uncompleted prior actions and/or breaches of fundamental principles. If the Paris Declaration target is to be met, actions to reduce the impact of these factors will need to be accompanied by greater collaboration between donors and the officials responsible for country accounts, so that the latter become progressively more able to record aid flows accurately.

In summary, Indicator 7 is like Indicator 3 in that it captures the joint effects of donor and government practices. It is influenced by both the ability to disburse funds on schedule, and the extent to which aid can be accurately captured in country accounting systems. The relevant target is not out of reach, but the unweighted average of 43% shows that considerable movement is needed in many donor/partner relationships. As such, a deliberate collaborative effort in each country will be required to meet it.

UNTYING AID

The Paris Declaration reaffirms the 2001 DAC Recommendation on Untying Official Development Assistance to Least Developed Countries and commits the signatories to making strides on this issue. The statistics on the tying status of aid are held by the OECD and are reproduced in the table A.8 (Appendix A). It shows that in the 34 countries 75% of aid is untied as compared to 78% in all the other countries included in the OECD records. Progress on untying will require all bilateral donors to step up their efforts by 2010.

IF DONORS AND GOVERNMENTS were to achieve a complete alignment of aid flows with country-owned policies and country systems, aid harmonisation would not be an issue. However, as the baseline survey confirms, in the real world alignment is imperfect – for reasons that have to do with donors and countries. In these circumstances, aid effectiveness is likely to be enhanced if donors harmonise their actions and adopt as much as possible simple and transparent common procedures.

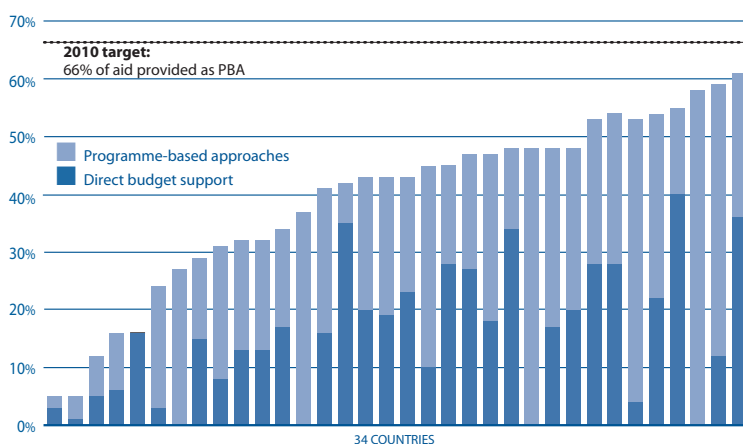
The baseline survey focuses on just two dimensions of harmonisation: the use of common arrangements within programme-based approaches (PBAs), and conducting joint missions and sharing analysis. Two other groups of commitments on harmonisation are included in the Paris Declaration. There are commitments on increasing donor complementarity on the basis of comparative advantages, with greater use of delegation; and strengthening incentives for collaborative behaviour. The baseline indicators are therefore proxies for a much wider field of commitments on harmonisation.

USING COMMON ARRANGEMENTS

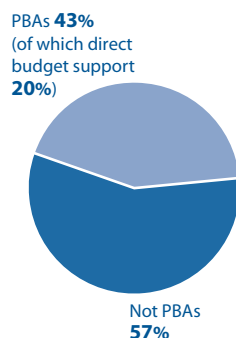
Indicator 9 measures the proportion of aid to the government sector that is disbursed within a programme-based approach. In the survey guidance, PBAs are defined in such a way that this proportion is an accurate indicator of the extent to which common arrangements are being used. In the words of the Definitions and Guidance paper, PBAs share all four of the following features:

- Leadership by the host country or organisation.
- A single comprehensive programme and budget framework.
- A formalised process for donor co-ordination and harmonisation of donor procedures for reporting, budgeting, financial management and procurement.
- Efforts to increase the use of local systems for programme design and implementation, financial management, monitoring and evaluation.

Proportion of aid provided as PBAs Country-by-country



Proportion of aid provided as PBAs



INDICATOR 9

CHART 1.11:
How much aid
is programme
based?

This set of four criteria is fairly restrictive and include direct (general or sectoral) budget support, sector-wide approach (SWAp) programmes and other arrangements in which there are equivalent efforts towards joint planning and harmonisation of procedures.

The general Paris Declaration target for 2010 is to have 66% of aid for the government sector using common arrangements through PBAs. Appendix Tables A.9 and B.9 show the reported volume and proportion of programme-based aid, and also the breakdown between direct budget support (defined as unearmarked funding) and other PBAs. **Chart 1.11** provides an overview of the results by country and in aggregate.

It is clear from the survey returns that donors in many countries had some difficulty in accepting the suggested definition of a PBA, and usually National Co-ordinators did not feel empowered to impose a ruling. In a number of countries, a looser set of criteria was adopted on the basis of some degree of consensus, while in some others individual donors were permitted to follow their own definition of a “programme”. In these cases, at least, the true baseline numbers for use of common procedures are lower than those presented in the tables. **Box 1.4** provides some illustrations. This means more substantial progress is called for to achieve the target that the baseline level of 43% might suggest.

These complications will need to be borne in mind in assessing trends over the period to 2010. As discussed in Chapter 2 on The Survey Process, they illustrate the need for firmer guidance on the circumstances in which it is permissible for survey respondents to adapt the suggested definitions.

The proportion of direct budget support (DBS) is not a Paris Declaration indicator but data were collected on the subject, and the results are of interest. DBS was also defined in quite restrictive

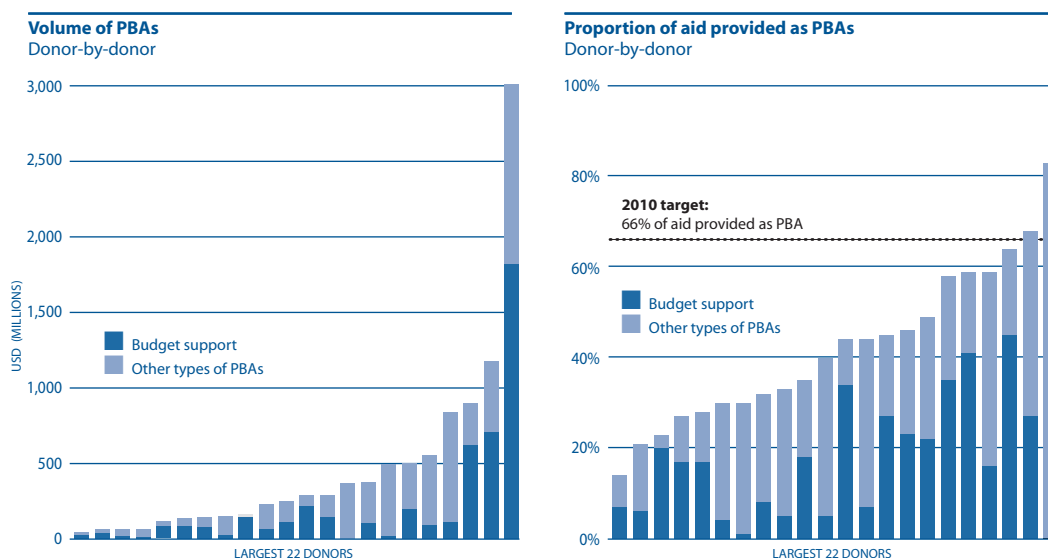
BOX 1.4: VIEWS ON COMMON ARRANGEMENTS AND PBAs

“Apart from the tiny amount of budget support in Senegal, the donors use their own procedures for the major part of the resources delivered through programme approaches. The total for resources provided through programmes ignores the fact that the donors are able to continue using their procedures. In contrast, it is the resources making use of common arrangements that tell us about the level of effort being made to reduce transaction costs.” (**Senegal**)

“Special mention should be made of a series of quite large programmes financed with concessional loans... These programmes have been included because they fulfill the first three criteria for consideration as a PBA, namely: government leadership, a single programme framework and participation of several donors.” (**Peru**)

“Apart from the Multi-Donor Budget Support, there was no general agreement on what constituted the programme-based approach, despite the criteria provided.... Some donors have provided lists of the PBAs, which could not be ascertained in line with the definition..., buttressing the need for additional work to validate the operations of the listed examples....” (**Ghana**)

CHART 1.12:
How much
programme-
based aid
do donors
provide?



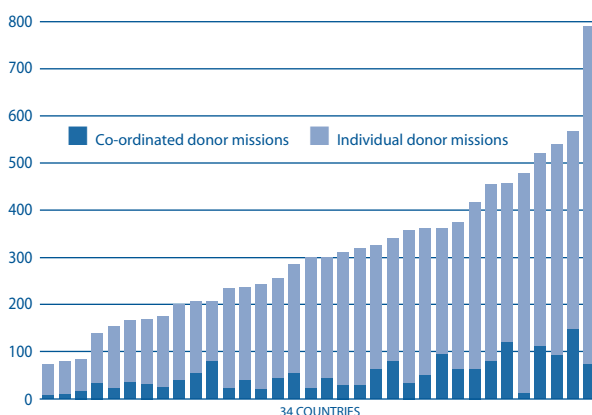
terms in the survey guidance, limiting it to resources managed according to the recipient's budgetary procedures and not subject to earmarking (although, in the case of sector budget support, subject to a policy dialogue that focuses on a sector). It is not clear from the survey returns the degree to which the guidance was strictly followed in this respect.

Chart 1.12 provides an overview of the results by donor. There are a few surprises in the data, even after taking into account the possible effects of country selectivity. A striking feature is how many donors (no less than a quarter of the top 22) report that they are already channelling half of their aid to the government sector through PBAs. The descriptive survey returns suggest that this finding reflects to an important degree the approach that some donors took to the definition of a PBA. Only to a more limited degree does it reflect effective adoption of common procedures with other donors. A sensible objective for these agencies, as well as for those that report themselves as currently less involved in PBAs, would be to concentrate on the substance of the Paris Declaration commitment. That means moving with deliberate speed towards the use of common procedures, under government leadership and where possible using government systems.

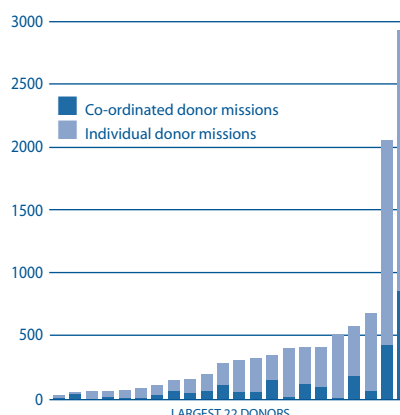
The descriptive part of the survey returns, as well as the CDF Progress Report and AER profiles, point to some general patterns in the adoption of PBAs. There appears to be quite a strong trend towards the adoption of SWAp-type arrangements, not only for sectors but also for cross-cutting institutional areas such as private-sector development, and justice, law and order. The sectors that move reasonably quickly towards a full SWAp are invariably health and education. However, joint programmes outside the social sectors make slower and more difficult headway towards common arrangements. Nevertheless, where a PBA is adopted by a large group of donors in a sector or institutional area, there is a positive bandwagon effect. With a few exceptions, additional members are willingly and easily absorbed.

To summarise, the survey provides no grounds for complacency with respect to the Paris Declaration commitment on moving towards the use of common arrangements and procedures under country leadership. The use of the programme-based approach as a proxy for joint planning and increasingly harmonised working may have confused the issue to some degree. Despite the relatively encouraging numbers generated by the survey around this indicator, the pace of change in donor practices will need to increase over the coming years if the Paris objective is to be achieved.

Number of missions
Country-by-country



Donor-by-donor



INDICATOR 10A

CHART 1.13:
How many
donor missions
are co-ordinated?

CONDUCTING JOINT MISSIONS AND SHARING ANALYSIS

Indicator 10 measures the extent to which donors are merging their review and analysis activities at the country level. It counts the proportion of missions to the country that were undertaken jointly by more than one donor, and the share of country-analysis exercises that were undertaken on a joint or co-ordinated basis. *The 2010 targets are 40% joint missions and 66% joint analytical work.*

Data adjustments were necessary to deal with double-counting of both joint missions and joint analytical work in the survey returns from many of the countries. The results for missions are shown in Appendix Tables A.10a and B.10a. **Chart 1.13** provides an overview. The total number of missions is strikingly high for some countries and for some donors, notably large multilaterals. In many cases, the number of missions appears to be related to scale of the aid disbursed. However, this is not always the case. Some kinds of support, for example to governance reform, may be mission-intensive for good reasons. At the same time, the proportion of co-ordinated or joint missions remains very low – an average of 16% across countries and 24% across donors. It is clear that the Paris Declaration targets in this area will require intensified efforts.

This becomes more apparent when the returns are broken down, as they are in the country chapters. Quite a large share of the reported joint missions

is accounted for by the single area of public financial management assessment (CFAA and PEFA in particular). A further substantial contribution comes from UN agencies, in which case it is assumed that the bulk of the co-ordination is internal to the UN system. Significant advances outside these areas seem to be harder to achieve. In a more positive vein, some partner governments are taking a hand in the problem of mission overload themselves. In several African countries where the total number of missions is large, governments have taken the initiative by declaring mission-free or “quiet” periods during which officials, especially in Ministries of Finance, are able to concentrate on budget preparation. This is an approach that might be more widely emulated.

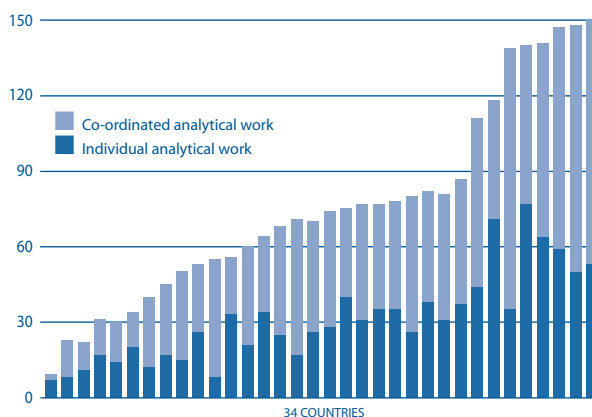
Appendix Tables A.10b and B.10b, together with **Chart 1.14**, present the results for country analytical work and joint country analytical work. These suggest a rather greater tendency to undertake activities jointly (in aggregate, 40% across countries and 52% across donors). This may reflect to some extent an understanding of the phrase “country analysis” that is biased towards relatively formal exercises that lend themselves to joint working. There is, on the other hand, a noticeable trend towards the preparation of Joint Assistance Strategies, which may be expected to raise the proportion of joint work in both the mission and the analysis categories.

INDICATOR 10B

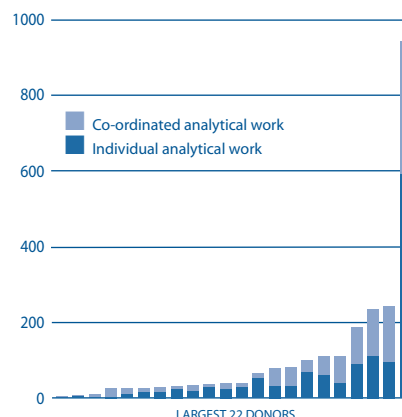
CHART 1.14:
How much
country analysis
is co-ordinated?

Number of country analyses

Country-by-country



Donor-by-donor



In summary, the baseline position in joint working may be worse for donor missions than for country analysis, with the 2005 proportion of 17% of joint missions across countries falling well short of the 2010 target of 40%. It is certainly worse for missions if joint PFM assessments are excluded. This is clearly an area in which greater donor efforts are going to be needed if the agreed targets are to be met.

MANAGING FOR RESULTS

One of the distinguishing features of the Paris Declaration is an emphasis on the way improvements in donor practices and country institutions depend on each other and are mutually reinforcing. This is reflected on the one hand in the mutuality of the commitments, and on the other in the inclusion of two major areas not covered, for example, in the Rome Declaration on Harmonisation and Alignment: mutual accountability and management for results.

The commitments on management for results call for donors and partner countries to work together to manage resources for the achievement of development results, using information on results to improve decision making. Countries are expected to develop cost-effective results-oriented reporting and performance assessment frameworks, while donors commit to using any such arrangements and refraining from requiring separate reporting. Indicator 11 measures the extent to which the country commitment on

establishing performance frameworks has been realised, using the scorings of the 2005 CDF Progress Report.

Three assessment criteria are considered:

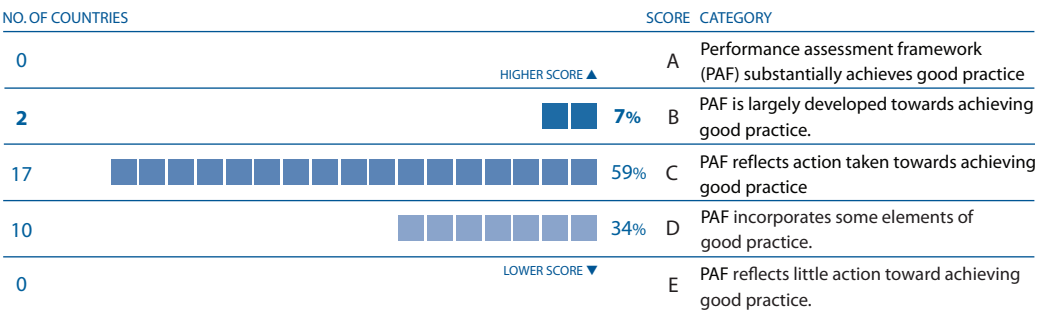
- The quality of development information.
- Stakeholder access to development information.
- Co-ordinated country-level monitoring and evaluation.

The assessments therefore reflect both the extent to which sound data on development outputs, outcomes and impacts are collected, and various aspects of the way information is used, disseminated among stakeholders and fed back into policy.

Chart 1.15 shows the distribution of the countries participating in the 2006 baseline survey across the CDF Progress Report five quality categories (A-E), while Appendix Table A.11 provides further detail. Country performance assessment frameworks are placed in category A if they “substantially” achieve good practice, and in B if they are “largely developed” towards good practice. The scores are for 2005 and are limited to the 29 survey countries that were included in the CDF exercise. The participating countries not included are Afghanistan, Dominican Republic, Egypt, Peru and South Africa.

On CDF Progress Report criteria, only two countries have “largely developed” performance assessment frameworks compared to five with “largely developed” operational development strategy

Quality of country performance assessment frameworks



Source: World Bank CDF Progress Report for 2005.

INDICATOR 11

CHART 1.15:
Do countries
have monitorable
performance-
assessment
frameworks?

indicators. On the other hand, the surveyed countries do better than the full CDF Progress Report sample, with a substantially larger proportion rated in at least the B or C categories than in the whole sample. Countries participating in the baseline survey in 2006 should therefore find it easier than others to move up at least one category. *The overall target is to reduce by one-third the proportion of countries not attaining at least a B by 2010.* This would mean raising the proportion of countries having frameworks with at least a B rating from the baseline of 7% to 38%. Nine baseline countries need to join the two currently scored B or A over the period.

What it takes to raise a country score by one category is reasonably clear. In the country chapters, the CDF Progress Report and AER country profiles have been used to interpret the country scores. The general picture that emerges is as follows. The supply of survey-based data on poverty incidence and human development variables has been improving in most countries. This leaves the quality of administrative reporting and other sources of information about intermediate performance variables as the principal area of weakness on the data-generation side. Data sharing and dissemination are somewhat better than they were, but providing feedback loops into policy improvement presents a major challenge in most countries. This is at least partly because – as discussed in connection with Operational Development Strategies – country plans are often weakest at the point where monitoring information might be expected to have some purchase on policy; that is, the specification of an implementation plan in terms of activities to be undertaken. Actions on all of these points are in principle quite feasible, given

sufficient high-level encouragement, and are being in part addressed through specific programmes to build capacity to produce and use statistics.

In summary, channelling evidence on results into processes of policy improvement remains a major obstacle in the large majority of surveyed countries. It is both important and very hard to achieve, given the lack of simple technical fixes for the problems in current arrangements for generating and using data. Bringing the target percentage of country performance assessment frameworks up to the expected 2010 level will call for efforts that are both well-coordinated and realistic about the clear and evident barriers to performance-based management in partner countries.

BOX 1.5: TWO AID EFFECTIVENESS MUTUAL REVIEW MECHANISMS

“Tanzania has recently established a Joint Assistance Strategy for Tanzania (JAST), which replaces the Tanzania Assistance Strategy as the framework for managing development co-operation. It is more comprehensive... in promoting aid effectiveness in line with the principles of ownership, alignment, harmonisation, managing for results, domestic and mutual accountability. Government and development partner performance in implementing the JAST will be regularly monitored and evaluated on the basis of jointly agreed indicators and targets... JAST indicators will also be drawn from the Paris Declaration indicators, as adapted to the Tanzanian context.” (Tanzania)

“The Development Partnership Framework, recently signed by the government of Moldova and donor organisations, lays out principles, procedures and processes aimed at greater aid alignment, co-ordination and harmonisation. The Framework specifies concrete activities... It will represent the basis for further mutual assessment of progress.” (Moldova)

MUTUAL ACCOUNTABILITY

THE CONCEPT OF MUTUAL ACCOUNTABILITY is an important innovation of the Paris Declaration. It develops the idea that aid is more effective when both donors and partner governments are accountable to their respective publics for the use of resources to achieve development results, and when they are also accountable to each other. The specific focus of the agreed indicator (Indicator 12) is on mutual accountability for the implementation of the Partnership Commitments included in the Declaration and any local agreements on enhancing aid effectiveness. Specifically, the country survey returns tell us whether there exists a mechanism for mutual review of progress on aid effectiveness commitments.

The table indicates that a minority of surveyed countries (41%) have in place a mechanism of this type. Box 1.5 describes two examples. In several countries, Harmonisation Action Plans (HAPs) were agreed following the Rome Declaration, or where governments have initiated the formulation of country Aid Policies with harmonisation and alignment dimensions. Other country responses indicate that discussions are taking place now,

some in response to the 2006 survey, which may lead to the formulation of a local action plan. If this happens, the proportion of positive responses may increase when the survey is repeated in 2008. *This would bring closer the time when 100% of countries have a mutual assessment mechanism, the target that has been set for 2010.*

A caution suggested by some of the country reports is that lengthy periods sometimes elapse between agreement on an HAP and the definition of a monitoring framework for it, with the actual presentation and discussion of monitoring data in an appropriate joint forum taking even longer. A less elaborate form of agreement, with a simpler monitoring mechanism, may be worth considering in future initiatives.

In summary, the movement towards the establishment of specific mechanisms for joint monitoring of Partnership Commitments at country level is just beginning, building in several countries on earlier experience with Harmonisation Action Plans. It is to be expected that further progress will already be apparent in 2008, so that such arrangements are universal by 2010. ■

INDICATOR 12

TABLE 1.1:
Do countries
have mechanisms
for mutual
assessment
of progress?

"YES"		"NO"	
Countries that DO have mechanisms for mutual review of progress (2005)		Countries that DO NOT have mechanisms for mutual review of progress (2005)	
Afghanistan	Moldova	Albania	Mali
Bolivia	Mozambique	Bangladesh	Mauritania
Cambodia	Nicaragua	Benin	Mongolia
Cape Verde	South Africa	Burkina Faso	Niger
Egypt	Tanzania	Burundi	Peru
Ethiopia	Viet Nam	Congo Democratic Republic	Rwanda
Ghana	Zambia	Dominican Republic	Senegal
Malawi		Honduras	Uganda
15 countries (44%)		Kenya	Yemen
		Kyrgyz Republic	
		19 countries (56%)	

¹ In accordance with paragraph 9 of the Declaration, the partnership of donors and partner countries hosted by the DAC (Working Party on Aid Effectiveness) comprising OECD-DAC members, partner countries and multilateral institutions, met twice, on 30-31 May 2005 and on 7-8 July 2005 to adopt, and review where appropriate, the targets for the 12 Indicators of Progress. At these meetings an agreement was reached on the targets presented under Section III of the present Declaration. This agreement is subject to reservations by one donor on (a) the methodology for assessing the quality of locally managed procurement systems (relating to targets 2b and 5b) and (b) the acceptable quality of public financial management reform programmes (relating to target 5a.ii). Further discussions are underway to address these issues. The targets, including the reservation, have been notified to the Chairs of the High-Level Plenary Meeting of the 59th General Assembly of the United Nations in a letter of 9 September 2005 by Richard Manning, Chair of the OECD Development Assistance Committee (DAC).

LIST OF SOURCES

World Bank (2005), *Enabling Country Capacity to Achieve Results: 2005 CDF Progress Report, Volume I: Overview; Volume II: Country Profiles*, World Bank, Operations Policy and Country Services, Washington, D.C. <http://www.worldbank.org/cdf>

World Bank, “Draft Aid Effectiveness Profiles”, *Aid Effectiveness Review*, World Bank, Operations Policy and Country Services, Washington, D.C., forthcoming, <http://go.worldbank.org/MR5I91FSP0>

World Bank, *Country Policy and Institutional Assessment*, World Bank, Washington, D.C., <http://www.worldbank.org>

OECD-DAC, International Development Statistics online, <http://www.oecd.org/dac/stats/idsonline>

2 THE SURVEY PROCESS

THE BASELINE SURVEY WAS DESIGNED TO: stimulate a broad-based dialogue (at both country and international levels) on how to make aid more effective, promote agreement on specific actions that contribute to successful implementation of the Paris agenda at country level, and generate an accurate picture of existing aid practices as a baseline for assessing progress.

This chapter examines how far the survey has proven to be an efficient and effective instrument for pursuing these objectives. It considers whether they were well served by the way the process was managed, and whether in practice there were significant trade-offs among the objectives. It concludes by identifying the main areas in which the approach needs to be adjusted in future rounds of the survey.

THE CHAPTER DRAWS ON TWO SOURCES: the survey returns themselves, and the insights and opinions provided by some of the main stakeholders in the process. Important stakeholders include the National Co-ordinators who organised the process at country level; the donor agency respondents at country and headquarters levels; and the DAC Secretariat and help-desk personnel at the OECD, the UNDP and the World Bank who guided the survey process. Face-to-face or telephone interviews were carried out with as many representatives of these stakeholder groups as possible, to obtain a well-rounded and realistic picture of the survey process, and its principal strengths and weaknesses.

SCOPE OF THE EXERCISE

The countries that participated in the survey were a self-selected sample. From the 50-60 developing and transition countries that endorsed the Paris Declaration, 43 expressed initial interest in the exercise and 34 actually completed the data collection. The sample thus includes over half of the countries eligible to participate. It covers 36% of global country programmed ODA in 2005 (see Appendix Table A.0). The proportion of highly aid-dependent countries included is no doubt larger than that. Participation was voluntary and called for a significant effort on the part of the country authorities. Therefore, the sample cannot be considered representative of the relevant universe. Rather, it may be assumed that it includes a disproportionate number of countries where there is already active interest in the Paris Declaration process on the part of the government, the country's donors, or both.

This fact has been borne in mind in interpreting the results in Chapter 1. The survey findings indicate the baseline situation for a large set of countries forming the advance guard of awareness on aid effectiveness. The results that would have been obtained from a larger sample would very likely have indicated a lower baseline and greater progress to be made to meet the 2010 targets. Anecdotal evidence from a number of bilateral donors that have undertaken their own reviews of performance in all their programme countries is consistent with this assumption.

The baseline survey included only a handful of countries classified by the OECD-DAC as fragile states. In fact, the number was so small that it was not possible to investigate any distinctive qualities of Paris Declaration implementation in those countries. In future rounds of the survey, it should be possible to improve the coverage of signatory countries in general and of fragile states in particular. This does not need to affect the validity of comparisons within the baseline sample. From that point of view, the most important thing will be to ensure that countries that participated in the 2006 survey are included again in the next round in 2008.

BOX 2.1: A TYPICAL COUNTRY PROCESS

Country-level processes generally included four steps:

STEP 1: A launch phase, often including a workshop or individual meetings to present the survey methodology. Launch workshops provided an initial platform for discussing the Paris Declaration, the commitments entered into, and the indicators agreed upon for monitoring practices and progress in aid delivery.

STEP 2: A data-collection phase (involving government and donors). Local donor offices were frequently involved in discussions with their headquarters and with government. In this phase, most countries were asked to comment on the draft findings of the World Bank Aid Effectiveness Review, on the issues covered by Paris Declaration Indicators 1 and 11.

STEP 3: A discussion phase around the indicators and data (including efforts to elicit data from laggard donors). This phase was critical. The data gathered by government and donors diverged in many cases, leading to intense discussion around the interpretation of some indicators.

STEP 4: A finalisation phase. The Country Worksheet was compiled and sent off to the DAC Secretariat. In the subsequent period of follow-up, National Co-ordinators responded to questions concerning the data submitted and organised country responses to the draft country chapters.

Several regional and sub-regional meetings on aid effectiveness took place in the wake of the survey, which provided opportunities for exchanging experiences on the survey process.

HOW THE SURVEY WAS MANAGED

At the country level, the survey was organised to spark dialogue among government, donors and other in-country stakeholders, while also collecting useful information. This was reflected in the co-ordination of the survey, the method for putting together the information required, the guidance provided and the process of drafting the chapters on the countries. **Box 2.1** describes a typical country process.

In keeping with the spirit of the Paris Declaration, the country surveys were convened by government. Participating countries each appointed a National Co-ordinator as leader of the survey process. Normally, these were the heads of aid co-ordination units in ministries of finance or foreign affairs, or the directors' offices in agencies for external co-operation. In many places, individual

local donors (e.g. UNDP, World Bank, European Commission, DFID or USAID) provided real support, including practical help to National Co-ordinators. However, the reports from a variety of stakeholders suggest that governments maintained leadership throughout the process.

A degree of agreement among the in-country participants was required. The country returns took the form of a single Country Worksheet containing both quantitative information and qualitative commentary relating to the relevant Paris Declaration indicators. The worksheets were compiled by the National Co-ordinator, using the completed two-page questionnaires submitted by in-country donors and government. In many cases, this involved extensive consultations to iron out inconsistencies and reach agreement on issues. Donors testify that communication between themselves and National Co-ordinators was usually open and transparent, even if there were differences of opinion at times.

On launching the survey in May 2006, the DAC Secretariat provided a *package of materials which steered a careful course between over- and under-direction of the process*. The materials included an Explanatory Note, two-page questionnaires for completion by government and donors, the Country Worksheet (incorporating, an Excel file for the consolidated numerical data) and a comprehensive “Definitions and Guidance” document. These were distributed to National Co-ordinators and also made available through the OECD’s website on monitoring the Paris Declaration. The website included information about the help desks operated by the UNDP, the OECD Secretariat and the World Bank, and other useful tools.

Because of the novelty of the exercise and the communication challenges involved, the survey started with some delay in a number of countries. The initial deadline for submissions was 15 August 2006. A final cut-off date of 30 September was set. Some 26 submissions were received by this deadline, with an additional 8 arriving within the following month, completing the sample of 34.

Chapters on the country findings were then drafted. This proved a time-consuming task, but was undertaken as speedily as possible in order for initial drafts to be submitted to the countries for comment with a minimum of delay. Checking of initial drafts led in many cases to a further round of discussion on the status of aid effectiveness initiatives in the country. Second drafts, adjusted in light of corrections and additional information, were also circulated to the countries. *The final drafts of the country chapters take full account of the comments received.*

TYPES OF COUNTRY EXPERIENCE

It is clear that this process as a whole was onerous, particularly for the country representatives. A minimum of three person-weeks, and often several times this amount, had to be devoted to the task in those countries where engagement was most intense and included a relatively wide range of stakeholders. These estimates are based on the conversations with National Co-ordinators. They account only for the time that was devoted by government staff dedicated to the survey, and do not include time of donor staff or government staff from other ministries or agencies who participated in related meetings and workshops. The task was made more difficult as it took place in the Northern summer period, when staff of many donor organisations take their annual holidays.

The process has been burdensome despite the relatively narrow focus and scope of the exercise. The questionnaires and consultations focused only on a few proxy indicators of aid alignment, harmonisation and mutual accountability, and not on the full range of Paris Declaration issues. Moreover, in most countries, the process included government officials and multilateral and DAC bilateral donors only. The involvement of government departments other than central ministries and aid co-ordination units was variable. The goal of involving a wider range of stakeholders, including non-DAC donors and civil society, was achieved only in a few cases. Ghana was one of a handful of countries where the process involved civil society. The international community did

BOX 2.2: COUNTRY VARIATIONS

The survey process varied across countries in the following respects:

- *The scope of the questionnaires:* Some National Co-ordinators added further questions, or provided additional guidance (for example, on the requirements of a programme-based approach or co-ordinated capacity development). Others limited themselves to collating the contributions.
- *The number of donors that submitted data and the level of effort necessary to elicit responses from other major donors in the country:* Peer pressure within a donor group was a favourable factor in some countries, but was largely absent in others. Nevertheless the overall coverage of relevant aid flows was high at 90% ranging from 57% to 118% (Appendix Table A.0).
- *The intensity of data collection within government:* In all cases, this involved the quantitative data required to answer the government questionnaire (on Indicators 3 and 7), but some National Co-ordinators went further and, for example, sought line ministries' views on the number of parallel PIUs in sectors.
- *The length and intensity of the discussion phase:* This was affected by capacity, commitment and time constraints, especially in countries where the initial launch of the survey was delayed.
- *The way Country Worksheets were finalised:* Some country groups sought consensus between government and donors, while others in accordance with the guidance on the worksheet chose to reflect diverging views where there was disagreement.
- *The degree of engagement with the Aid Effectiveness Review undertaken by the World Bank:* The draft profiles prepared for the AER were helpful in completing Country Worksheets, both in countries where discussion on harmonisation and alignment was recent and in those where it was well established. However, the degree to which the AER was effectively connected with the survey process proper seems to have been quite variable.

not encourage participation by civil society at the outset, and additional stakeholders that did become involved did so at their own initiative. Some foundations submitted data on the donor questionnaire in individual countries (e.g. the Aga Khan Foundation in Afghanistan). Box 2.2 shows some of the ways in which country processes differed.

A question to be considered is how much of the effort was worthwhile, either as a contribution to the international monitoring effort or because of the stimulus it provided to the in-country debate on aid effectiveness. In other words, which of the efforts brought with them benefits that are sufficient to justify the costs, and which did not?

The feedback from stakeholders suggests the need to distinguish among two or three groups of countries participating in the survey. The first group are those countries where discussions have been under way for some years, at least since the Rome Declaration, on the development of a Harmonisation Action Plan and/or a comprehensive national aid policy. In the second group, harmonisation and alignment had not been discussed until very recently at country level. In these circumstances, the survey brought together the relevant stakeholders for the first time. A possible third category consists of countries where action on alignment and harmonisation had been previously discussed but the process was dormant for various reasons.

In the first group, the survey process was able to make use of existing relationships and procedures. This simplified the task. However, the previous history also meant that there was little immediate gain from the meetings. National Co-ordinators from countries in this first category were noticeably more inclined to pose "so what?" questions, and to be impatient with a survey instrument that appeared to be limited to recording the current state of donor practices. The potential benefits, for these countries, are associated more obviously with the second purpose of the survey – that of promoting agreement on specific actions leading to appropriate forms of implementation of the

BOX 2.3: FOCUSING ATTENTION ON KEY ISSUES

The survey helped to focus attention on important issues, including:

- **Country planning and performance management systems:** Although the assessment of country systems was not fully integrated into the survey process (see next section), strengthened dialogue on how to improve aid effectiveness has drawn attention to weaknesses in country systems and the need for joint actions to address them.
 - **Project implementation units:** The survey has enriched country-level discussions on this topic, with a focus not only on the number of parallel units, but on the rationale for using them, their effects and different views on the potential for achieving greater integration with government structures without loss of development effectiveness.
 - **Procurement systems:** In recent years, many recipient countries have adopted new procurement legislation, modelled on international best practices. Country representatives commonly feel that buy-in from donors has been inadequate, while donors report that legal rules may have improved, but systems are still weak. Discussion of Indicator 2b has moved this issue up the agenda. In the next survey round, international ratings of country procurement systems will be available to answer the question applied in 2006 to public financial management: is donor use of country systems correlated with the strength of the systems?
 - **Data systems for monitoring aid:** National Co-ordinators indicate increased government interest in national aid reporting and recording systems, including those that might allow more continuous monitoring of the aspects of aid delivery highlighted by the Paris Declaration.
 - **Co-ordinated capacity development:** Many recipient country officials believe that countries have seen relatively little benefit from technical co-operation, even though it constitutes a significant share of aid. The survey has opened a debate about the changes needed on both donor and government sides to enable capacity development to work better.
 - **Use of common arrangements or procedures:** The survey has helped to draw attention to the lack of a widely shared understanding of the Paris Declaration commitment on common procedures.
-

Paris agenda at country level. This represents a much tougher test, and the feedback on whether the process contributed on balance to this objective is rather mixed, as explained below.

It is, on the other hand, clear that there were important benefits in the second group of countries. Feedback from the National Co-ordinators suggests that the level of awareness of the Paris Declaration commitments is often surprisingly low in both government and donor circles at country level. Communication between headquarters policy advisers and operational staff on Paris Declaration issues appears not to be very effective in many agencies. However, these weaknesses are even more prominent where there has been little previous discussion in the country.

Where this is the case, the interview evidence indicates that the survey process has made a substantial contribution. The process has raised awareness and improved understanding at the country level about the Paris objectives and commitments. It has triggered debate on various features of current aid practice, notably the role and rationale of parallel project implementation

units (PIUs), and the scope for making greater use of country systems. Participants have shared their experience, among the local offices of donor agencies and among the National Co-ordinators of recipient countries. This has contributed to the development of “learning networks” around aid effectiveness.

The survey has spread the Paris message at the operational level in donor agencies in a way that directives from headquarters probably never could. In many countries, it has highlighted the variety of donor approaches and practices. Some country offices have been prompted to consult their headquarters on the range of aid practices permissible under agency rules, sometimes with surprising results. The experience of answering the survey questions has also helped raise awareness within recipient governments, including about some of the concrete steps which might be taken by them (e.g. Egypt, Mongolia). On the whole, however, the effect on governments has been limited by the fact that line ministries and specialist agencies were in most cases only involved at the margins.

There is evidence that “dormant” country harmonisation processes have been reinvigorated.

The survey has given actors within governments who believe that aid effectiveness is an important policy issue a valuable tool for reviving harmonisation processes. The data generated are often striking (e.g. the low degree to which national procedures are currently being used). The data reinforce the visibility of problems, helping to bring them onto the country agenda. The regional activities around the survey process were instrumental in disseminating ideas and practices regarding the possible design of national aid policies. Box 2.3 illustrates the way the survey has focused attention on key issues in a number of country contexts.

BENEFITS AND COSTS

In all cases, there are remaining questions about costs associated with undertaking the survey that did not have clear benefits and might possibly have been avoided. Insisting upon a degree of collective agreement on the returns incurred significant costs but did provoke dialogue, which raised awareness and posed relevant new issues for the participants. The same is probably true about the iterative process of refining the country chapters for the report. But it is less clear that the approach taken by the guidance materials contributed to a positive cost-benefit ratio.

The “Definitions and Guidance” document was quite directive. For each of the agreed Paris Declaration indicators covered by the survey, it defined the terms used and offered additional guidance on their interpretation. The Explanatory Note, on the other hand, contained a more permissive set of instructions. It recognised the possibility that the definitions offered might not cover all possible cases, exceptions and contingencies, and invited partner authorities and donors in each country to reach agreement on how to adapt the definitions so that they might be consistently applied throughout the survey. The Country

Worksheets included an instruction to record any differences of opinion. As the discussion of findings in Chapter 1 has made clear, this flexibility in the guidance was quite widely interpreted as a mandate for the use of different definitions.

The final section of this chapter considers the difficulties this has created for consistent application of the survey, within countries, across countries and through time. Another question is worth asking first. Did this flexibility help in stimulating country-level dialogue? A similar question will be considered in the next section, in relation to the objective of getting agreement on specific Paris Declaration implementation measures.

The testimony of the National Co-ordinators seems quite clear. The ability of individual donor respondents to adopt, in effect, their own definition of key terms, such as “programme-based approach” made the process more burdensome without any real justification. National Co-ordinators did what they could to ensure consistent reporting on the Country Worksheet – for example, on what types of support to capacity development should be regarded as “co-ordinated”. However, there were limits to the National Co-ordinators’ authority, particularly where donor representatives were receiving instructions from their headquarters. The guidance provided by donor headquarters sometimes overruled agreements reached at country level between National Co-ordinators and donors. The Co-ordinator’s role in this regard was difficult, stressful and time-consuming.

It is important to consider possible trade-offs. However, it does not seem that the flexibility on definitions produced useful dialogue that would promote the Paris Declaration’s contribution to aid management in the country. Instead, it diverted dialogue that might have been productively focused on the facts of the situation in the country into a rather unproductive discussion of how to report those facts for the purposes of the survey.

CONTRIBUTING TO AGREEMENT ON SPECIFIC ACTIONS

IN COUNTRIES where the discussion on harmonisation and alignment was already advanced, the expectation was that the survey process would be decidedly action-oriented. This expectation was fulfilled in some respects. But the ability of the survey to play an action-oriented role was constrained by a number of factors.

IMMEDIATE AND PROSPECTIVE GAINS

The immediate gains include a widening or deepening of existing country efforts. In some countries, the survey was taken as an input into established national monitoring efforts on aid effectiveness, such as those surrounding a Harmonisation Action Plan. In these cases, the process drew in a wider range of stakeholders, renewing their commitment to tracking the actions previously agreed.

In a few such countries, additional questions were integrated into the questionnaires with a view to generating more “actionable” results. They included questions about obstacles to progress. The results of these efforts remain to be assessed, but the practice suggests that future rounds of the survey could be made more action-oriented for all countries, without increasing the scale of the exercise significantly.

In a wider range of countries, *the survey has triggered debates about methods of record keeping and reporting on aid, on both the government and donor sides.* As noted in Chapter 1, data recording systems at country level are often not well-g geared to capturing aid flows in a comprehensive way. There are substantial weaknesses on both the donor and government sides affecting the capture of information. In addition, the aid statistics that exist tend to be disaggregated in traditional terms (*e.g.* loans vs. grants) and do not distinguish between aid modalities (projects, programme-based, etc.) along the lines required for Paris Declaration monitoring. In a number of countries, the survey has drawn attention to these issues, and led to stepped-up efforts to develop national aid management systems.

Many National Co-ordinators indicate that the survey results are still being “digested”. In a number of countries, the Co-ordinators expect that the results will be translated into an actionable agenda in the near future. For example, there may be plans for phasing out parallel project implementation units, with definite commitments by government to strengthen line ministries, and by donors to respond in kind. The survey question about mechanisms for monitoring mutual accountability has encouraged some country aid-management teams to consider introducing such a mechanism. The prospect of future rounds of the survey will likely provide an incentive for the partners to show progress over the next 18 to 24 months.

CONSTRAINTS ON THE FORMULATION OF ACTION AGENDAS

Two features of the 2006 survey process placed constraints on its ability to stimulate local action agendas. One was the separate treatment of two broad areas of the Paris commitments – aid delivery on the one hand and country systems on the other. The second was the scope that the guidance allowed for discussion to be diverted from factual into definitional questions.

As explained in Chapter 1, the proxies for alignment, harmonisation and mutual accountability (Indicators 3, 4, 5, 6, 9, 10 and 12) were dealt with in the Country Worksheets. In this sense, they were fully part of the country process. On the other hand, the measures of country ownership and results orientation (Indicators 1 and 11) were based on two World Bank outputs: the Comprehensive Development Framework Progress Report for 2005 and the forthcoming Aid Effectiveness Review. Work on these indicators was undertaken in parallel to the country survey processes. Draft country profiles for the AER were sent to countries for comment during the survey period. In a number of countries, including Ethiopia, Mali, Moldova and the Kyrgyz Republic, the draft profiles served as an input into the Country Worksheet and thus served to advance discussion on progress.

However, in other countries commenting effectively on the AER profiles while also completing the survey was found to be difficult. *In these cases, the two main parts of the survey were effectively disconnected.*

These constraints probably hampered the ability of donor-partner groups at country level to draw up action plans based on the survey experience. In very many areas, including the development of operational development strategies and performance assessment frameworks, the ability to move forward on the Paris commitments is influenced by both donors and government. However, formulating a reciprocal action agenda is more difficult when the evidence on the two sides of the equation has been assembled and validated in a different way. *It is clear that in future there will be gains in terms of actionable results if the survey process can become more integrated in this sense.*

The second issue has already been touched upon. The DAC survey team provided substantial guidance to respondents, but without tightening the definitions of the indicators fully. There was concern that the indicators should be sufficiently flexible to accommodate a variety of country circumstances. Country groups had room to reach a consensus on locally adjusted definitions that could then be applied consistently over time. Unfortunately, few groups seem to have been able to reach a consensus and National Co-ordinators were not empowered to impose a ruling. The issue took up a good deal of debating time that might otherwise have been devoted to discussing how to move forward. *In several countries, this was seen as an unwelcome distraction by many stakeholders on both the government and the donor sides.*

AS A RESULT of the baseline survey, more is now known about aid management systems and practices at the country level. Quantitative data have been generated on a set of reasonable proxies of the Paris Declaration commitments. These data provide a set of benchmarks covering most forms of official aid in 34 countries from all world regions (formerly, such information was available only for specific modalities, such as general budget support and for particular world regions). The data will provide an invaluable input to forthcoming debates on how to improve the effectiveness of aid. The availability of such data is likely to be a factor favouring forward movement on aid effectiveness in countries that participated in the first survey round and others that may join in future rounds.

The picture provided by the results is as accurate as possible, given the constraints that affected the survey process. Considerable efforts have been made to deliver high-quality data, not least by the National Co-ordinators who compiled and checked the returns and responded to at least one round of follow-up queries from the OECD-DAC Secretariat. The use of the data in the country chapters and in Chapter 1 has taken into consideration a range of factors influencing the reporting. In fact, the information contained in the survey returns on how the data were compiled is itself an important source of insight into the state of the Paris Declaration in particular countries. Thus, in this report, a naïve utilisation of the data has certainly been avoided. It is to be hoped that other users of the raw numbers will be similarly circumspect.

That said, an important lesson from the management of the 2006 survey is about the *need for firmer steps to ensure the standardisation of measures.* The difficulties created for National Co-ordinators by the lack of standardisation have already been noted. However, concern about this issue was also common among donors, particularly in respect of indicators on which some country-level discretion was permitted by the guidance.

It is clear in retrospect that the survey guidance gave too much ground to the case for “localising” concepts and measures. It is, of course, difficult to produce watertight definitions, and there are some genuine grey areas and classification problems needing discussion. Firmer definitions should not be used to gloss over disagreements about the substance of aid policy. Nevertheless, definitions that are looser than they need to be prevent clear discussion of policy differences and do little to assist the technical discussion that may be needed on the genuine borderline cases and grey areas.

A particular concern about the 2005 baseline established by the 2006 survey is that it may systematically overstate the progress already achieved in relation to the 2010 targets. If, as a number of National Co-ordinators perceive, donors have used the permitted leeway on definitions to place their performance closer to the targets than would otherwise be the case, this may create difficulties for them in demonstrating that they have made progress over the first monitoring period (2005–07). If, as is recommended, the guidance provided in the 2008 survey is tighter and National Co-ordinators are given greater authority, some of the results may show a shocking – although actually illusory – reduction in performance against the commitments. *The donor community should be prepared to meet this eventuality in a mature and far-sighted way.*

Most stakeholders in the 2006 survey seem to take the view that firmer and clearer guidance on the definition and local application of indicators is desirable. This would help to focus discussion on the things that matter – why the Paris commitments were made, what actions can be taken to carry them out and what the real obstacles are. This means that in preparation for the next survey round, a further effort will be needed to clarify and disseminate the current definitions and hammer out in advance the degree to which they can be consistently applied.

THE BASELINE SURVEY has been a major multi-purpose effort that has yielded important results in the form of both substantive findings and lessons learned. The process lessons suggest a number of recommendations for the next round of monitoring in 2008, discussed here and summarised in **Box 2.4**.

The 2008 survey can and should involve more countries, including a larger number of fragile states, so that the exercise provides a more broad-based stimulus to implementation of the Paris commitments as well as a richer data set with which to monitor progress. A change in the sample need not compromise the ability to measure changes against the baseline established by the 2006 survey, as the 2006 baseline countries can continue to be treated as a distinct subset for the purposes of statistical analysis.

A serious effort needs to be made to reduce those costs incurred in mounting the survey from which no clear benefits are expected. Such costs include the duplication of effort arising from undertaking the work at a time of year when donor representatives are hard to contact.

BOX 2.4: SUMMARY OF RECOMMENDATIONS

In brief, the 2006 survey experience calls for:

- Including more countries in the survey.
 - Reducing those survey costs for which no definite benefit can be identified.
 - Assembling an indicative body of 2007 disbursement data early in 2008.
 - Tightening the guidance on all 12 indicators.
 - Increasing the authority of National Co-ordinators.
 - Capturing additional information on practical obstacles and ways of moving forward.
-

There are, however, several constraints on the timing of the next survey that will need to be taken into account in settling on dates for starting and completing the survey. One of them is the limited availability early in the year of data on aid disbursements in the previous financial year. Another is the deadline for reporting to the High-Level Forum in Ghana, scheduled for September 2008. For the 2008 survey round, the concern to reduce transaction costs for National Co-ordinators combines with the reporting schedule to suggest that the survey should start earlier than in 2006. *This implies that special efforts will be needed to assemble an indicative body of disbursement data for 2007 no later than the first quarter of 2008.*

Not all of the unnecessary costs cited by National Co-ordinators relate to timing. Another important factor was the layer of complexity introduced by the guidance encouraging local adaptations in dealing with some of the indicators. *The 2008 round of the monitoring survey should put in place mechanisms to ensure standardised reporting based strictly on centrally agreed definitions for the 12 Paris Declaration indicators.* A tightening of the survey guidance in this respect would not just save time and help to generate more robust data. As argued above, it would probably also be more favourable than the current flexibility to well-focused, action-oriented dialogue at country level.

The survey instrument should provide scope for feedback on areas of difficulty in applying the definitions, but not for variations that weaken the consistency of the survey data. In view of the need for comparability between the 2006 and 2008 exercises, it is recommended that feedback be collected on the ways in which any changes in the guidance have affected the scores for particular indicators.

The mechanisms required for implementing these changes will need to include not just a careful revision of the written guidance materials, but also preparatory discussions involving donor agency staffs at different levels as well as country representatives. This will be important to ensure that the principles behind tightening of the guidance are understood and appreciated. In any case, employment rotation will mean that those responsible for gathering data will very likely be different in future survey rounds, and this needs to be considered. *As part of this package of changes, consideration should be given to increasing the authority of National Co-ordinators, to enable them to play more effectively their role as guarantors of the consistency of reporting.*

So as not to increase the scale of the task, the 2008 survey round should focus closely on the agreed 12 indicators. However, in two particular respects adjustments are suggested.

First, additional attention should be given to capturing insights into obstacles to progress on the indicators and practical ways of moving forward. This recommendation draws on the experience of a few countries of using supplementary questions to help identify a country-specific action agenda on aid effectiveness. The experience suggests that further information could be gathered in a cost-effective way, with significant additional benefits. It should be clear that this is not a question of increasing the number of indicators, but of extracting more benefits from the existing operation by encouraging country teams to make fuller use of the spaces for qualitative comment on the Country Worksheet.

Second, there would be clear benefits from bringing data collection for Indicators 1 and 11 (operational development strategy and results-oriented performance assessment) within the compass of the survey process under National Co-ordinators. The evidence reviewed here suggests that there would be gains for the quality of country-level processes from ending the separation of these two components of the Paris Declaration monitoring effort. In particular, a merged process for data collection would be more conducive to a frank discussion that recognises fully the reciprocal obligations and interdependencies involved in any forward action agenda. For example, a revision of the AER profiles could be conducted in-country by integrating the text of the profiles into the survey for the 2008 monitoring round.

There would remain a need for standardised measures comparable with those generated by the CDF Progress Report and Aid Effectiveness Review in the past. For this reason, there is going to be a continuing need for a credible external body such as the World Bank to take responsibility for attaching scores to the descriptive profiles, even if the profiles themselves are generated largely by an in-country process. If a joint approach of this kind can be agreed, an early start should be made in defining its modalities in detail, so that they can be fully reflected in the preparatory discussions. There is relevant experience to draw on, in which a simple scoring system is applied to a descriptive analysis that includes a large element of self-assessment (e.g. PEFA).

These two adjustments could help to ensure that the 2008 round of Paris Declaration monitoring is a rewarding process that adds substantially to the baseline survey. Together with the proposed efforts to involve more countries, adjust the scheduling and strengthen the survey guidance, they would be expected to enhance the benefits of the exercise at both country and international levels while keeping its costs to a reasonable level. ■

CONCLUSIONS AND RECOMMENDATIONS

THE PARIS DECLARATION ON AID EFFECTIVENESS (2 March 2005) is an ambitious attempt to improve development impact through more effective use of aid. To this end, it promotes changes to aid delivery and management practices based on agreed principles of country ownership, harmonisation, alignment, mutual accountability and managing for results. The Declaration goes beyond committing parties to a clearly specified set of actions and behavioural changes. It also provides for periodic monitoring at the country level, so that the governments of developing countries and their development partners are increasingly accountable to each other for the progress being made.

THIS CHAPTER DRAWS CONCLUSIONS from the first round of monitoring in 2006¹ and suggests recommendations that should help achieve progress against the targets agreed in the Paris Declaration. It is structured in four parts. The first part sets out the key policy recommendations that deserve priority attention, the second provides the context and the state of play in 2005, the third identifies the main challenges in accelerating implementation of the Paris Declaration, and the last draws out operational recommendations.

The baseline survey was designed to document the situation in 2005 with a view to benchmarking progress in 2008 and in 2010. It does not provide any direct evidence on trends of change; that will require a second survey. It describes the position in a self-selected sample of 34 developing countries, and does not claim to provide a fully comprehensive assessment of aid practices across the world – though it does cover 37% of relevant aid flows. Rather, it helps focus attention on the actions that could be taken in the years remaining before 2010, the target date for fulfilling the Paris commitments and a critical milestone on the road to meeting the Millennium Development Goals in 2015. This chapter provides a summary of conclusions from the 2006 monitoring round; a more in-depth analysis of the conclusions may be commissioned later.

KEY POLICY RECOMMENDATIONS

THE SURVEY FINDINGS and the discussions that have taken place around them point to *six major priority areas that need policy makers' attention right now* if countries and donors are to accelerate progress towards achieving the Paris Declaration commitments:

1. *Partner countries need to deepen their ownership* of the development process by engaging their citizens and parliaments more fully in planning and assessing their development policies and programmes. They should also increase efforts to link their plans much more closely to their national budget and results frameworks.
2. Donors need to support these efforts by making *better use of partners' national budgets to align their programmes* on country priorities. They also need to improve the transparency and predictability of aid flows by sharing timely and accurate information on intended and actual disbursements with budget authorities.
3. Partner countries need to take the lead in determining *priority programmes of capacity development*, especially those needed to improve country systems. Donors can help by better co-ordinating their technical assistance with country priorities and fully involving partners when commissioning technical assistance.
4. To further harmonisation, donors must work aggressively *to reduce the transaction costs of delivering and managing aid*. They should give special attention to enhancing complementarity and rationalising the division of labour, increasing use of local harmonisation and alignment action plans (including sector-wide and programme-based approaches), expanding reliance on delegated co-operation and other innovative approaches, reducing the number of project implementation units and better integrating them into ministries, and increasing efforts on untied aid as encouraged by the DAC recommendation.
5. To promote managing for results, countries and donors should *make greater use of performance assessment frameworks* and more cost-effective results-oriented reporting. This, too, will require donors to invest further in capacity development and increase their use of country results reporting systems.
6. To begin addressing mutual accountability commitments, countries and donors should *clearly define a mutual action agenda and discuss aid effectiveness progress and development results more explicitly* at country level by using country dialogue mechanisms (*e.g.* revamped Consultative Group and round table meetings) and developing credible monitoring mechanisms where needed.

THE STATE OF PLAY IN 2005

SINCE THE PARIS DECLARATION was agreed two years ago, strong expectations for reform have been created. Despite the diversity of country conditions in Africa, Asia and Latin America, the Paris Declaration principles and commitments are considered relevant and important. This is one of the key messages that emerged at the five regional workshops on aid effectiveness in 2005-06 in Uganda, Mali, South Africa, Bolivia and the Philippines. At the same time, country contexts clearly matter. The potential of the Paris agenda can be realised only in countries that have determined for themselves their own priorities, pace and sequencing of reforms. The survey shows that an increasing number of countries – such as Ghana, Nicaragua and Vietnam – have already established their own action plans, working groups and review processes to guide implementation. World Bank sources suggest that less intensive activities are taking place in as many as 60 countries. Most donor agencies have made major efforts to implement the Paris Declaration within their organisations and communicate its importance to

their staff. A large majority of DAC members, for example, have developed corporate action plans to implement the Paris Declaration, and five of them have informed their national parliaments. At the same time, partner countries are increasingly voicing concerns about the slow pace of change in donor practices: for example, a disconnect between headquarters policies and in-country practices, donor-driven capacity development and lack of progress on untying aid.

Much more needs to be done to implement the Paris Declaration if the mutual commitments and targets are to be met. The 2006 baseline results for the 12 indicators show that meeting the 2010 targets will require significant efforts (see Table 3.1), especially when it involves changing deeply rooted institutional behaviours. Addressing these concerns and, more generally, demonstrating tangible results against the Paris Declaration is fundamental to sustaining momentum and achieving further progress up to the next High-Level Forum in Ghana (September 2008).

TABLE 3.1: BASELINE VALUES FOR THE 12 INDICATORS AGREED IN PARIS

Indicators	2005 Global Baseline ^a	2010 Global Target	For Reference: Avg. country ratios ^b
1 Ownership – Operational PRS	17% of countries meet criteria	At least 75%	--
2a Quality of PFM systems	31% of countries meet criteria	Half of partner countries increase their scores	
2b Quality of procurement systems	Not available yet	One third of partner countries increase their scores	
3 Aid reported on budget	88%	94%	42%
4 Co-ordinated capacity development	48%	50%	42%
5a Use of country PFM systems	39%	[80%] ^c	33%
5b Use of country procurement systems	39%	[80%] ^d	37%
6 Parallel PIUs	1 849	609	62 per country
7 In-year predictability	70%	87%	41%
8 Untied aid	75%	Progress over time	82%
9 Use of programme-based approaches	43%	66%	35%
10a Co-ordinated missions	16%	40%	29%
10b Co-ordinated country analytical work	40%	66%	52%
11 Sound performance assessment framework	7% of countries meet criteria	38%	--
12 Reviews of mutual accountability	38% of countries meet criteria	100%	--

^a The global baseline is the weighted average of the survey results. In other words, for each indicator it is the sum, for each of the 34 countries, of the values of the numerator divided by the sum of the values of the denominator. For Indicator 3, for example, this accurately reflects that in total 88% of the aid provided to the 34 countries is reported on budget. However as amounts over budget offset amounts under budget, the overall ratio is high for this indicator.

^b The average country ratio is the unweighted average ratio across 34 countries; that is the sum of the indicator for each donor in each country divided by the number of donor/country observations irrespective of the volume of aid provided by the donor. For indicator 3 it shows that the typical donor has to move from 45% of aid reported on budget to the minimum target of 85%. On the other hand for Indicator 10, the typical donor is above the baseline average, suggesting the degree of co ordination is greater for smaller donors compared to larger ones.

^c The level of ambition of this target is determined by Indicator 2a. The figure in square brackets is provided for illustrative purposes and is based on a two-thirds reduction of the gap. For more information please refer to the Paris Declaration.

^d The level of ambition of this target is determined by Indicator 2b. The figure in square brackets is provided for illustrative purposes and is based on a two-thirds reduction of the gap. For more information please refer to the Paris Declaration.

MAJOR CHALLENGES

DEEPENING OWNERSHIP THAT LEADS TO DEVELOPMENT EFFECTIVENESS AND RESULTS

The starting point for aid effectiveness is that developing countries assume leadership of their own development process, responding to their citizens' needs and articulating their own development priorities. The survey focuses on the degree to which national development plans draw on long-term visions and are prioritised and linked to budgets, expenditures and results. *Survey findings show that very few countries in the survey (17% of the sample) meet the criteria for fully operational national development strategies.* For most of the 34 countries surveyed, ownership needs substantial strengthening. As noted in Chapter 1, the main factor that would enable more countries to move a step up from their 2005 ratings is a commitment by governments to using their central resource-allocation instrument, the national budget, more vigorously and consistently to support agreed policy priorities (this is also discussed below). While the main responsibility lies with the developing country, donors can build up leadership capacity through well-designed support programmes that create space for countries to exercise ownership.

Discussions and expectations around the Paris Declaration emphasise that aid can only be considered effective if it contributes to achieving development results. The survey shows that only 7% of the countries in the survey have achieved good practice in using performance assessment frameworks to monitor and manage necessary improvements in the quality of their development programmes. *The survey findings underline the need to pay much more attention to managing for results.* Countries need functioning performance assessment frameworks that are linked with the budget, that systematically produce and analyse data on progress in implementing national development strategies, and that feed the data back into strategy upgrades.

PROMOTING STRONGER AND MORE ACCOUNTABLE BUDGET PROCESSES

Improving transparency and accountability on the use of development resources is widely recognised as a powerful catalyst of progress. Enhancing the credibility of the budget as a mechanism for governing the allocation and use of development resources (internal and external) is key: not only does it facilitate alignment of donor support, but it also enables parliamentary scrutiny of government policies on development and thus broadens country ownership. The credibility of the budget depends to a large extent on whether it is a reasonably accurate statement of available resources and their use.

Aid contributes to a significant proportion of many countries' public expenditure, but a large proportion of aid flows are not reflected in governments' annual budget estimates. In 2005, *the baseline survey indicates that for nearly all countries, the credibility of development budgets is undermined by sizable discrepancies between the funds disbursed by donors and the information recorded in the budget estimates.* Making improvements will require concerted and joint efforts by partner country authorities and donors on three fronts:

- Donors should be more attentive to getting information on intended disbursements to the budget authorities in good time and in a usable form.
- Donors should be much more realistic about their ability to disburse the intended amounts on (agreed) schedules.
- Partner country budget authorities need to be better equipped to capture information on donor disbursement intentions, or to make realistic estimates of expected shortfalls.

STRENGTHENING AND USING COUNTRY SYSTEMS

In the past, donors' attempts to substitute for weak management capacity in partner governments have led to many poor aid practices. The Paris Declaration encourages donors to increasingly use strengthened country systems to help partner countries develop institutions that can implement and account for their development policies and resource use to citizens and parliaments. By using country systems, donors also help strengthen them by avoiding poor aid practices such as parallel implementation structures that are set up to satisfy donors' individual fiduciary concerns.

In the two areas of public financial management and procurement that the *survey focused on, use of country systems is proving more difficult than alignment with country strategies*. In 2005, on average, 39% of aid flows used country public financial management and procurement systems. The degree of reliance on public financial management systems varies considerably among countries – from 2% in the Dominican Republic to 67% in Cape Verde. One factor that explains donors' use of these systems is their quality – but only, analysis shows, to a small extent; other factors might also play an important role (*e.g.* the existence of reform programmes).

Progress on this agenda will require a better understanding of why donors use, or avoid using, country systems. In this connection, the use of common diagnostic tools to measure quality and decide on a reform agenda may be useful. There is encouraging evidence that countries are rapidly adopting the PEFA framework, the most commonly shared methodology for assessing public financial management performance. PEFA frameworks have now been prepared for 45 countries (usually as joint diagnostics carried out by two or more donors) and 78 countries are expected to be covered by the end of 2008.

Upgrading country systems is a major commitment and requires long-term support by donors. The survey clearly indicates that capacity development needs are often ill-defined and poorly addressed; there is still no common understanding of how donors can best support countries' efforts to strengthen capacity. Here again common diagnostic tools can focus dialogue on co-ordinated support to capacity development strategies.

SCALING DOWN THE COST OF MANAGING AID

A key aim of the aid effectiveness agenda is to decrease partner governments' transaction costs of managing aid – especially the costs that arise from managing different donor procedures and channels of aid delivery. The Paris Declaration aims to curtail these costs by encouraging donors to align their aid with country priorities and systems, use common arrangements, and generally reduce the number of uncoordinated donor activities (missions, reports, etc.).

The baseline survey provides clear evidence that the cost of managing aid is high for partner governments. For example, it shows that in 2005 donors fielded 10 438 missions in 34 countries – an average of 307 missions per country per year. (Other examples are presented in the individual country chapters, Volume 2 of the survey.)

Donors have a legitimate need for information to meet their own accountability requirements; however, demands by many donors for financial and performance information that a country does not require for its own management and accountability needs can divert efforts away from reform processes. Donors need to make much greater efforts to satisfy their fiduciary requirements (the assurance that donor funds are used for intended purposes) with information that countries need to meet their own development objectives.

The cost of managing aid could increase significantly as the volume of aid is scaled up, new (emerging) donors become more active and new initiatives are created. This is why the international community needs to focus on the issue, both by curbing transactions costs and by finding ways for donors to internalise the normal costs of delivering aid more effectively.

■ *Curbing transaction costs aggressively*

As the survey indicates, significant efforts have already been made to reduce transaction costs at country level: using local harmonisation and alignment action plans, collaborating on joint country assistance strategies, creating division-of-labour and lead donor arrangements, and establishing “quiet periods” when donors agree not to field missions in a particular country. Donors and partner countries should continue to pursue (and to scale up) these mechanisms. They also need to give special attention to expanded use of delegated co-operation and other innovative approaches, and to increased reliance on strengthened country systems. Taken individually or in combination, these mechanisms should contribute to decreasing and better co-ordinating the number of separate procedures for aid delivery at country or sector level, and thus to reducing the transaction costs to partner countries.

■ *Internalising the normal operational costs of doing business differently*

More effective aid is not necessarily aid delivered cheaply. Donors and partners must understand that initially there may be new costs associated with doing business differently. For example, collaborative work is not cost-free: according to the World Bank, co-ordinated multi-donor programmes typically require 15-20% more staff and budget resources than traditional stand-alone projects. Such costs constitute an up-front investment in doing business more effectively and should be factored into operational budgets and allocation of staff time.

MUTUAL ACCOUNTABILITY

The survey shows that an increasing number of countries are beginning to establish monitoring and review processes to track donor and government performance against aid effectiveness commitments. There are two important features in these mechanisms:

- Annual reporting against aid effectiveness commitments by both donors and government.
- Periodic independent evaluations, addressing particular aid effectiveness topics.

The results of these monitoring processes should be used to enhance dialogue between government and donors on aid effectiveness. A significant number of countries are using the 2006 survey to establish baselines and review processes; and a number of donors report that the survey mechanism has already encouraged them to review their practices, and has helped to advocate for change within their own organisations. Repeating the survey on a regular basis will help sustain the momentum for progress.

DONOR CORPORATE-LEVEL INCENTIVES FOR ACTION

Most development agencies have made major efforts to achieve their commitments under the Paris Declaration, and donor staff are often dedicated to the objectives of increased aid effectiveness. Nevertheless, the survey suggests that, at the corporate level, a number of obstacles work against donors' ability to meet the commitments they made in Paris. Aid effectiveness actions are implemented at country level but need to be enabled by donor headquarters.

For example, in many agencies the Paris Declaration is principally owned by policy staff at headquarters. At country level, harmonisation tasks are sometimes seen as getting in the way of efforts to achieve tangible development results. Staff have found that collaborative work is typically more onerous than stand-alone project work: it is time-consuming, often frustrating, requires protracted discussions and typically entails concessions that are seen to compromise the effectiveness of programmes. Donor organisations need to acknowledge the importance of these efforts, and they need to provide incentives for staff that reflect the importance of improving aid effectiveness and collective development impact through collaborative efforts.

Corporate rules and practices can get in the way of implementing some of the Paris commitments: for example, pressures to commit and disburse funds and high staff turnover can create incentives that reward short-term and tangible outputs over longer-term and sustainable results. There may also be competing incentives at work regarding assuring donor financial controls, reducing legal liabilities and upholding procurement integrity, that will need to be reviewed and reconciled with aid effectiveness objectives.

Donors can do more to improve collaborative work through four sets of actions, to be carefully considered when preparing and updating their corporate aid effectiveness action plans and in subsequent reporting on their efforts to implement the Paris Declaration:

■ *Provide leadership*

At the corporate level the most influential source of incentives is leadership: conveying the consistent message that aid effectiveness is a key priority.

■ *Acknowledge the cost and benefits of collaborative work*

It is important that headquarters offices fully acknowledge both the costs and benefits of undertaking harmonisation and alignment actions and create positive incentives as well as removing negative ones.

■ *Focus incentives on development outcomes* (rather than just individual programme outputs)

This might include, for instance, rewarding country staff for progress made on aid effectiveness at the country level, country-level progress against the Paris indicators and broader development results.

■ *Review procedural and legal frameworks*

Donors can make an effort to identify rules, procedures or practices that work against the commitments made in Paris.

RECOMMENDATIONS FOR ACTION

The following matrix aims to set out the action-oriented conclusions and recommendations that can be drawn from the baseline survey analysis. They build on the five pillars of the Paris Declaration (ownership, alignment, harmonisation, managing for results and accountability) and have been enriched by the discussions between developing-country and donor partners at country level, in recent regional conferences, in the OECD-DAC Working Party on Aid Effectiveness and by consultations with civil society. They are intended to draw attention to the key issues and areas that cannot necessarily be addressed at the country level and likely will require attention at corporate policy and operation levels before the Ghana High-Level Forum on Aid Effectiveness.

OWNERSHIP AND ALIGNMENT

	BASELINE CONCLUSIONS	RECOMMENDED ACTIONS
National development strategies	<ul style="list-style-type: none"> Increasingly, countries have sound medium-term policy frameworks. However, very few countries (17%) in the survey meet the agreed criteria for fully operational development strategies. Parliaments and civil society are not always in a position to scrutinise national development strategies. There are weaknesses in mechanisms linking budget formulation and execution to national plans, policy priorities and results. 	<ul style="list-style-type: none"> Senior policy makers should clearly signal the importance of translating strategies into well-prioritised and sequenced action plans. Strategies need to be more effectively connected to national budgets. Governments should be increasingly accountable for their strategies through the regular mechanisms of democratic accountability. Donors should help countries strengthen plans and their links to the budget through focused support for capacity development.
Alignment of aid on national budgets	<ul style="list-style-type: none"> A large proportion of aid flows to the government are not comprehensively and accurately reflected in partner governments' annual budget estimates. This undermines the credibility of the national budget as a tool for governing effective allocation of resources in accordance with policy priorities. 	<ul style="list-style-type: none"> Countries need to establish a comprehensive and credible budget linked to policy priorities. Donors need to provide information on intended disbursements to the budget authorities and provide aid on budget in good time, and aligned with programme and sector priorities in the budget. Donors and partners need to work together to ensure that budget estimates are more realistic.
Quality of country systems	<ul style="list-style-type: none"> Countries are increasingly making use of performance assessment tools such as the PEFA framework to improve quality of their systems. However, only 31% of countries in the survey have at least moderately strong public financial management systems (no information is yet available on procurement systems). 	<ul style="list-style-type: none"> Senior policy makers in partner countries should clearly signal the importance of improving the performance of their systems. More partner countries should use performance assessment tools and frameworks to improve performance of their systems.
Strengthen capacity	<ul style="list-style-type: none"> Technical co-operation accounts for nearly a third (29%) of aid for the government sector (USD 5.5 billion). The survey suggests that nearly half (47%) of technical co-operation is provided in a co-ordinated way. There is agreement at country level that the baseline is overstated. Absence of a shared understanding on what constitutes co-ordinated technical co-operation means that the baseline captures a very broad range of practices, including contentious practices. 	<ul style="list-style-type: none"> Donors should work with existing country capacity, taking care not to displace it with foreign expertise. Technical assistance should be demand-driven and closely linked to the achievement of national reform goals. Donors should involve partners more systematically in defining the role and profile of technical assistance required.

	BASELINE CONCLUSIONS	RECOMMENDED ACTIONS
Strengthen capacity	<ul style="list-style-type: none"> ■ Technical co-operation accounts for nearly a third (29%) of aid for the government sector (USD 5.5 billion). ■ The survey suggests that nearly half (47%) of technical co-operation is provided in a co-ordinated way. There is agreement at country level that the baseline is overstated. ■ Absence of a shared understanding on what constitutes co-ordinated technical co-operation means that the baseline captures a very broad range of practices, including contentious practices. 	<ul style="list-style-type: none"> ■ Donors should work with existing country capacity, taking care not to displace it with foreign expertise. ■ Technical assistance should be demand-driven and closely linked to the achievement of national reform goals. ■ Donors should involve partners more systematically in defining the role and profile of technical assistance required.
Use of country systems	<ul style="list-style-type: none"> ■ 39% of aid flows for the government sector use countries' public financial management (PFM) and procurement systems. A significant proportion of this is direct budget support. ■ The quality of country PFM systems is not a key factor in determining how much use donors make of countries PFM systems. 	<ul style="list-style-type: none"> ■ More countries should be using the PEFA performance framework as a useful focus for dialogue on reforms to the PFM system. ■ Donors need to make much greater efforts to use country systems for auditing and financial reporting. ■ Donors need to better understand the benefits and risks of using country systems.
Parallel project implementation units (PIUs)	<ul style="list-style-type: none"> ■ 1 828 parallel PIUs were recorded in 34 countries. This is a conservative estimate and includes a stock of old PIUs. ■ Eliminating parallel project delivery structures is presenting a serious challenge for donors and partner countries alike (public officials may earn a significant share of their income through these incentives). ■ There is an absence of a shared understanding on the role of PIUs and parallel PIUs. 	<ul style="list-style-type: none"> ■ When donors establish new PIUs, they should seek to develop capacity by establishing them within the normal institutional country structures.
In-year predictability	<ul style="list-style-type: none"> ■ In many countries, predictability is poor: large volumes of aid were not disbursed within the intended year. ■ The reasons for this lack of predictability are numerous and complex and they often reflect challenges both on the donor and government sides. ■ Many partner countries are not in a position to record donors' disbursements comprehensively and accurately. 	<ul style="list-style-type: none"> ■ Donors should disburse on agreed schedules and notify countries accordingly. ■ Partner countries need to record these disbursements more accurately and comprehensively within their accounting systems.
Untying aid	<ul style="list-style-type: none"> ■ 75% of aid was untied to the 34 countries. 	<ul style="list-style-type: none"> ■ Donors should expand coverage of the OECD-DAC Recommendation on untying. ■ More use should be made of local and regional sources for donor procurement.

HARMONISATION

	BASELINE CONCLUSIONS	RECOMMENDED ACTIONS
Common arrangements	<ul style="list-style-type: none"> ■ The costs of harmonisation for donors are high. These should not be seen as transaction costs but as part of doing business well. ■ Nearly half of all aid (43%) recorded in the survey is in programme-based approaches (PBA); and 45% of PBA aid is direct budget support (USD 4.7 billion). ■ Donors use their own procedures for the major part of the resources delivered through PBAs. ■ There is no shared understanding on the modalities of delivering PBAs at country level. 	<ul style="list-style-type: none"> ■ Donors should pursue efforts to enhance complementarity and improve division of labour at country and sector levels. ■ Donors should channel more funds through other donors and make greater use of lead donors to manage co-ordination and policy dialogue (delegated co-operation). ■ Donors should make greater use of local harmonisation and alignment action plans, sector-wide and programme-based approaches and common financial reporting, disbursement and procurement procedures.
Missions and analytical work	<ul style="list-style-type: none"> ■ Of the 10 438 donor missions undertaken in 34 countries, 16% were co-ordinated. ■ Of the 2 567 country analyses undertaken in 34 countries, 40% were co-ordinated. 	<ul style="list-style-type: none"> ■ Donors should undertake fewer missions and co-ordinate them better. ■ Donors should respect the “quiet periods” declared by partner countries. ■ Donors and partner countries should increasingly work with each other when undertaking country analyses.

MANAGING FOR RESULTS

	BASELINE CONCLUSIONS	RECOMMENDED ACTIONS
Mutual accountability	<ul style="list-style-type: none"> ■ Major investments have been made in recent years in improving poverty monitoring. ■ However, there are still major deficits in the monitoring of national development plans: only 7% of countries in the survey (two countries) have achieved good practice in this area. ■ Performance matrices are often too elaborate and rely on information that is difficult to capture. ■ At the programme level, managing for results depends more on well-designed review processes. 	<ul style="list-style-type: none"> ■ Partners and donors should use agreed performance assessment frameworks based on a manageable set of indicators to track results included in national development and sector strategies. ■ Donors should provide more support for evidence-based policy making by helping countries improve their statistical, monitoring and evaluation systems.

MUTUAL ACCOUNTABILITY

	BASELINE CONCLUSIONS	RECOMMENDED ACTIONS
Mutual accountability	<ul style="list-style-type: none"> ■ 41% of the countries (12 countries) in the survey have a mechanism for mutual review of progress on aid effectiveness commitments. ■ The key challenge for mutual accountability is to strike a better balance between donor and country domestic accountability needs for effective use and desired impact of aid. ■ Civil society is often a major player in demanding accountability. 	<ul style="list-style-type: none"> ■ Countries should establish monitoring and review processes to track donor and government performance against aid effectiveness commitments. ■ The results of these monitoring processes should be used to enhance the dialogue between government and donors in Consultative Groups, round tables and “Results and Resource” processes.

¹ A baseline survey of 34 countries; findings from the World Bank’s 2005 CDF Progress Report, which provides the baselines for Indicators 1 and 11; and the country profiles prepared for the World Bank’s Aid Effectiveness Review.

STATISTICAL APPENDICES

THE FOLLOWING TABLES PROVIDE THE DATA for all 12 of the indicators on a country- by-country basis (Appendices B and C provide information on a donor-by-donor basis). The data draws from a number of different sources:

Indicator 1 (Ownership) and **Indicator 11** (Performance Assessment Frameworks) are based on the World Bank's Comprehensive Development Framework (CDF) Progress Report.

Indicator 2a (Quality of country public financial management systems) is drawn from the World Bank's Country Policy and Institutional Assessment (CPIA) sub-component 13.

Indicator 8 (Untying aid) is based on OECD-DAC data on untied aid.

Indicators 3 to 12 (but not Indicator 8) are drawn from the 2006 Survey on Monitoring the Paris Declaration. The process for establishing the data is fully explained in Chapter 2 of this report.

The charts in Chapter 1 are based on data presented in Appendices A and B.

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A COUNTRY DATA

ONE TABLE PER INDICATOR

THE FOLLOWING TABLES provide the data for all 12 of the indicators on a country-by-country basis. Data are available for the 34 countries that have taken part in the 2006 survey. The charts on the 34 country results presented in Chapter 1 are based on data included in Appendix A.

Table A.0 provides information on the coverage of the 2006 survey. The amounts reported in the Survey equate to 92% of the core aid – that is aid programmed for spending in countries – that members of the Development Assistance Committee reported for 2005. The coverage ranged from 62% to 118% – the differences could be due to aid from other donors, variations in timing of recording the flows and slight differences of definition. The 34 countries covered by the survey accounted for 37% of global country allocable aid provided by DAC members in 2005.

TABLE A.0

Aid reported in the Survey vs. core aid reported to the DAC

	Aid reported in the 2006 survey (USD m)	Core aid reported to the DAC ^x (USD m)	Ratio (%) $c = a / b$	Gross ODA reported to the DAC ^y (USD m)	Ratio (%) $e = a / d$
	a	b		d	
AFGHANISTAN	2 437	2 527	96%	2 776	88%
ALBANIA	343	331	104%	341	101%
BANGLADESH	1 837	1 696	108%	1 783	103%
BENIN	255	377	67%	405	63%
BOLIVIA	791	669	118%	701	113%
BURKINA FASO	593	688	86%	718	83%
BURUNDI	142	230	62%	399	36%
CAMBODIA	470	545	86%	555	85%
CAPE VERDE	110	176	62%	177	62%
CONGO DEM.REP.	934	1 024	91%	1 893	49%
DOMINICAN REPUBLIC	156	145	108%	147	106%
EGYPT	1 030	1 302	79%	1 491	69%
ETHIOPIA	1 288	1 333	97%	2 083	62%
GHANA	1 047	1 147	91%	1 619	65%
HONDURAS	432	553	78%	1 331	32%
KENYA	667	793	84%	917	73%
KYRGYZ REPUBLIC	187	293	64%	305	61%
MALAWI	605	564	107%	656	92%
MALI	625	714	88%	780	80%
MAURITANIA	165	186	89%	234	71%
MOLDOVA	139	162	86%	192	73%
MONGOLIA	171	223	77%	234	73%
MOZAMBIQUE	1 267	1 326	96%	1 359	93%
NICARAGUA	533	635	84%	834	64%
NIGER	393	447	88%	565	70%
PERU	559	569	98%	652	86%
RWANDA	571	545	105%	628	91%
SENEGAL	498	683	73%	836	60%
SOUTH AFRICA	583	759	77%	763	76%
TANZANIA	1 433	1 543	93%	1 648	87%
UGANDA	1 088	1 126	97%	1 320	82%
VIET NAM	1 956	2 078	94%	2 090	94%
YEMEN	370	353	105%	443	83%
ZAMBIA	773	845	91%	1 876	41%
TOTAL	24 448	26 583	92%	32 752	75%

FOR REFERENCE:

Global coverage of the survey

Total for the survey (34 countries)	24 448	26 583	92%	32 752	75%
All other countries (120 countries)	--	39 342	--	68 723	--
TOTAL^z	24 448	65 926	37%	101 474	24%

^x "Core aid" matches closely the definition of aid used in the survey; it excludes debt reorganisation and humanitarian aid.

^y "Gross ODA" includes all types of ODA reported to the DAC for the calendar year 2005.

^z The total includes country allocable aid only; it excludes regional and global activities.

TABLE A.1 **Indicator 1: Do countries have operational development strategies?**

Country	Score	Country	Score	Country	Score
AFGHANISTAN	..	ETHIOPIA	C	NIGER	C
ALBANIA	C	GHANA	C	PERU	..
BANGLADESH	C	HONDURAS	C	RWANDA	B
BENIN	C	KENYA	D	SENEGAL	C
BOLIVIA	C	KYRGYZ REPUBLIC	C	SOUTH AFRICA	..
BURKINA FASO	C	MALAWI	C	TANZANIA	B
BURUNDI	D	MALI	C	UGANDA	B
CAMBODIA	C	MAURITANIA	B	VIET NAM	B
CAPE VERDE	C	MOLDOVA	D	YEMEN	C
CONGO	D	MONGOLIA	D	ZAMBIA	C
DOMINICAN REPUBLIC	..	MOZAMBIQUE	C		
EGYPT	..	NICARAGUA	D		

Source: World Bank CDF Progress Report for 2005.

TABLE A.2 **Indicator 2a: How reliable are country public financial management systems?**

Country	Score	Country	Score	Country	Score
AFGHANISTAN	..	ETHIOPIA	3.5	NIGER	3.5
ALBANIA	4	GHANA	3.5	PERU	..
BANGLADESH	3	HONDURAS	4	RWANDA	3.5
BENIN	4	KENYA	3.5	SENEGAL	3.5
BOLIVIA	3.5	KYRGYZ REPUBLIC	3	SOUTH AFRICA	..
BURKINA FASO	4	MALAWI	3	TANZANIA	4.5
BURUNDI	2.5	MALI	4	UGANDA	4
CAMBODIA	2.5	MAURITANIA	2	VIET NAM	4
CAPE VERDE	3.5	MOLDOVA	3.5	YEMEN	3
CONGO	2.5	MONGOLIA	4	ZAMBIA	3
DOMINICAN REPUBLIC	..	MOZAMBIQUE	3.5		
EGYPT	..	NICARAGUA	3.5		

Source: World Bank Country Policy and Institutional Assessment (CPIA), 2005

TABLE A.3 **Indicator 3: Are government budget estimates comprehensive and realistic?**

	Government's budget estimates of aid flows for FY05 (USD m) a	Aid disbursed by donors for government sector in FY05 (USD m) b	Baseline ratio* (%) c = a / b c = b / a
AFGHANISTAN	2 312	1 262	55%
ALBANIA	85	269	32%
BANGLADESH	1 249	1 414	88%
BENIN	112	240	47%
BOLIVIA	885	628	71%
BURKINA FASO	359	531	68%
BURUNDI	72	183	39%
CAMBODIA	314	397	79%
CAPE VERDE	95	111	85%
CONGO DEM. REP.	804	651	81%
DOMINICAN REPUBLIC	57	92	62%
EGYPT	581	998	58%
ETHIOPIA	779	1 048	74%
GHANA	985	946	96%
HONDURAS	667	334	50%
KENYA	415	456	91%
KYRGYZ REPUBLIC	104	149	70%
MALAWI	264	493	54%
MALI	334	557	60%
MAURITANIA	82	126	65%
MOLDOVA	62	89	70%
MONGOLIA	4	149	2%
MOZAMBIQUE	944	1 133	83%
NICARAGUA	305	418	73%
NIGER	346	344	99%
PERU	197	429	46%
RWANDA	272	554	49%
SENEGAL	394	439	90%
SOUTH AFRICA	249	351	71%
TANZANIA	1 158	1 294	90%
UGANDA	1 079	854	79%
VIET NAM	1 563	1 941	81%
YEMEN	0	341	0%
ZAMBIA	361	696	52%
TOTAL	17 488	19 918	88%
Average country ratio	42%

* Baseline ratio is $c = a / b$ except where government's budget estimates are greater than disbursements ($c = b / a$).

TABLE A.4 **Indicator 4: How much technical assistance is co-ordinated with country programmes?**

	Co-ordinated technical co-operation (USD m) a	Total technical co-operation (USD m) b	Baseline ratio* (%) c = a / b
AFGHANISTAN	79	214	37%
ALBANIA	44	156	28%
BANGLADESH	73	238	31%
BENIN	20	36	56%
BOLIVIA	143	178	80%
BURKINA FASO	3	75	3%
BURUNDI	25	59	43%
CAMBODIA	77	212	36%
CAPE VERDE	40	43	93%
CONGO DEM. REP.	12	109	11%
DOMINICAN REPUBLIC	40	108	37%
EGYPT	245	321	76%
ETHIOPIA	51	189	27%
GHANA	70	174	40%
HONDURAS	70	148	47%
KENYA	104	173	60%
KYRGYZ REPUBLIC	18	77	24%
MALAWI	34	73	47%
MALI	16	103	15%
MAURITANIA	9	45	19%
MOLDOVA	22	86	26%
MONGOLIA	13	69	18%
MOZAMBIQUE	78	204	38%
NICARAGUA	36	124	29%
NIGER	9	58	15%
PERU	14	267	5%
RWANDA	78	135	58%
SENEGAL	20	110	18%
SOUTH AFRICA	279	293	95%
TANZANIA	123	248	50%
UGANDA	70	168	42%
VIET NAM	695	828	84%
YEMEN	23	140	16%
ZAMBIA	55	170	32%
TOTAL	2 687	5 630	48%
Average country ratio	42%

* Baseline ratio is $c = a / b$ except where government's budget estimates are greater than disbursements ($c = b / a$).

TABLE A.5

Indicator 5: How much aid for the government sectors uses country systems?

	Aid disbursed by donors for government sector (USD m) a	Public financial management				Procurement	
		Budget execution (USD m) b	Financial reporting (USD m) c	Auditing (USD m) d	Baseline ratio (%) avg (b,c,d) / a	Procurement systems (USD m) e	Baseline ratio (%) e/a
AFGHANISTAN	1 262	571	545	545	44%	558	44%
ALBANIA	269	47	39	26	14%	15	6%
BANGLADESH	1 414	899	503	854	53%	680	48%
BENIN	240	134	132	107	52%	154	64%
BOLIVIA	628	296	137	60	26%	95	15%
BURKINA FASO	531	234	263	212	45%	321	60%
BURUNDI	183	53	47	35	24%	35	19%
CAMBODIA	397	69	35	12	10%	22	6%
CAPE VERDE	111	74	73	67	64%	60	53%
CONGO DEM. REP.	651	200	22	30	13%	200	31%
DOMINICAN REPUBLIC	92	3	0	4	2%	5	5%
EGYPT	998	283	297	265	28%	249	25%
ETHIOPIA	1 048	609	473	338	45%	449	43%
GHANA	946	653	581	530	62%	491	52%
HONDURAS	334	131	101	30	26%	17	5%
KENYA	456	216	208	223	47%	204	45%
KYRGYZ REPUBLIC	149	5	5	5	3%	3	2%
MALAWI	493	250	275	284	55%	173	35%
MALI	557	180	159	153	29%	249	45%
MAURITANIA	126	5	5	6	4%	25	20%
MOLDOVA	89	22	22	22	25%	22	25%
MONGOLIA	149	78	78	63	49%	38	26%
MOZAMBIQUE	1 133	449	396	373	36%	431	38%
NICARAGUA	418	224	152	112	39%	115	27%
NIGER	344	128	78	73	27%	168	49%
PERU	429	209	163	183	43%	188	44%
RWANDA	554	207	224	221	39%	255	46%
SENEGAL	439	114	106	89	23%	117	27%
SOUTH AFRICA	351	126	147	128	38%	153	44%
TANZANIA	1 294	989	785	784	66%	792	61%
UGANDA	854	566	413	563	60%	463	54%
VIET NAM	1 941	707	622	542	32%	635	33%
YEMEN	341	35	26	35	10%	46	13%
ZAMBIA	696	228	254	231	34%	303	44%
TOTAL	19 919	8 994	7 365	7 205	39%	7 729	39%
Average country ratio	33%	..	38%

TABLE A.6

Indicator 6: How many PIUs are parallel to country structures?

	Parallel PIUs (PIUs)
AFGHANISTAN	28
ALBANIA	57
BANGLADESH	38
BENIN	29
BOLIVIA	66
BURKINA FASO	131
BURUNDI	37
CAMBODIA	56
CAPE VERDE	10
CONGO DEMOCRATIC REPUBLIC	36
DOMINICAN REPUBLIC	50
EGYPT	100
ETHIOPIA	103
GHANA	45
HONDURAS	52
KENYA	17
KYRGYZ REPUBLIC	83
MALAWI	69
MALI	65
MAURITANIA	23
MOLDOVA	43
MONGOLIA	80
MOZAMBIQUE	40
NICARAGUA	107
NIGER	52
PERU	55
RWANDA	48
SENEGAL	47
SOUTH AFRICA	15
TANZANIA	56
UGANDA	54
VIET NAM	111
YEMEN	29
ZAMBIA	24
TOTAL	1 856
Average	62

TABLE A.7 Indicator 7: Are disbursements on schedule and recorded by government?

	Disbursements recorded by government in FY05	Aid scheduled by donors for disbursement in FY05	Aid actually disbursed by donors in FY05	Baseline ratio*	
	(USD m)	(USD m)	(USD m)	(%)	(%)
	a	b	for reference only	c = a / b	c = b / a
AFGHANISTAN	1 267	1 061	1 262		84%
ALBANIA	108	222	269	49%	
BANGLADESH	1 249	1 366	1 414	91%	
BENIN	112	212	240	53%	
BOLIVIA	455	722	628	63%	
BURKINA FASO	438	478	531	92%	
BURUNDI	72	137	183	53%	
CAMBODIA	314	455	397	69%	
CAPE VERDE	95	103	111	92%	
CONGO DEM. REP.	516	622	651	83%	
DOMINICAN REPUBLIC	14	127	92	11%	
EGYPT	415	1 420	998	29%	
ETHIOPIA	1 012	1 055	1 048	96%	
GHANA	968	887	946		92%
HONDURAS	291	404	334	72%	
KENYA	272	620	456	44%	
KYRGYZ REPUBLIC	89	136	149	66%	
MALAWI	317	550	493	58%	
MALI	391	553	557	71%	
MAURITANIA	99	252	126	39%	
MOLDOVA	62	93	89	67%	
MONGOLIA	74	158	149	47%	
MOZAMBIQUE	861	1 228	1 133	70%	
NICARAGUA	384	549	418	70%	
NIGER	110	151	344	73%	
PERU	211	440	429	48%	
RWANDA	340	519	554	66%	
SENEGAL	323	467	439	69%	
SOUTH AFRICA	159	359	351	44%	
TANZANIA	989	1 408	1 294	70%	
UGANDA	811	966	854	84%	
VIET NAM	1 568	2 013	1 941	78%	
YEMEN	0	441	341	0%	
ZAMBIA	465	930	696	50%	
TOTAL	14 851	21 100	19 919	70%	
Average country ratio	41%	

* Baseline ratio is $c = a / b$ except where disbursements recorded by government are greater than aid scheduled for disbursement ($c = b / a$).

TABLE A.8 **Indicator 8: How much aid is untied?**

	Untied aid (USD m) a	Total bilateral aid as reported to the DAC (USD m) b	Share of untied aid (%) c = a / b
AFGHANISTAN	671	1 543	44%
ALBANIA	41	69	59%
BANGLADESH	535	651	82%
BENIN	158	199	79%
BOLIVIA	258	330	78%
BURKINA FASO	361	391	92%
BURUNDI	87	146	60%
CAMBODIA	129	150	86%
CAPE VERDE	50	223	22%
CONGO DEM. REP.	725	823	88%
DOMINICAN REPUBLIC	8	29	28%
EGYPT	230	492	47%
ETHIOPIA	533	1 373	39%
GHANA	653	726	90%
HONDURAS	742	1 009	74%
KENYA	291	372	78%
KYRGYZ REPUBLIC	59	60	97%
MALAWI	439	452	97%
MALI	273	287	95%
MAURITANIA	76	104	73%
MOLDOVA	40	49	81%
MONGOLIA	56	66	85%
MOZAMBIQUE	611	686	89%
NICARAGUA	411	482	85%
NIGER	136	162	84%
PERU	114	180	63%
RWANDA	123	151	82%
SENEGAL	340	374	91%
SOUTH AFRICA	326	336	97%
TANZANIA	747	789	95%
UGANDA	442	546	81%
VIET NAM	883	1 321	67%
YEMEN	124	136	91%
ZAMBIA	1 481	1 494	99%
TOTAL	12 149	16 200	75%
Average country ratio	82%

FOR REFERENCE:
Untied aid in 34 countries vs. the rest of the world

Total for the survey (34 countries)	12 149	16 200	75%
All other countries (116 countries)	35 003	44 952	78%
TOTAL	47 151	61 152	77%

TABLE A.9

Indicator 9: How much aid is programme based?

	Programme-based approaches			Total aid disbursed	Baseline ratio
	Budget support (USD m) a	Other PBAs (USD m) b	Total (USD m) c = a + b	(USD m) d	(%) e = c / d
AFGHANISTAN	559	485	1 043	2 437	43%
ALBANIA	4	13	17	343	5%
BANGLADESH	300	457	757	1 836	42%
BENIN	91	64	155	255	61%
BOLIVIA	101	152	253	791	32%
BURKINA FASO	168	101	269	593	45%
BURUNDI	6	70	76	142	54%
CAMBODIA	15	98	113	470	24%
CAPE VERDE	15	26	40	110	37%
CONGO DEM. REP.	206	297	503	934	54%
DOMINICAN REPUBLIC	4	4	8	156	5%
EGYPT	144	487	630	1 030	61%
ETHIOPIA	356	322	678	1 288	53%
GHANA	296	256	552	1 047	53%
HONDURAS	83	102	185	432	43%
KENYA	65	233	298	667	45%
KYRGYZ REPUBLIC	10	12	22	187	12%
MALAWI	113	79	192	605	32%
MALI	124	176	300	625	48%
MAURITANIA	0	61	61	165	37%
MOLDOVA	22	0	22	139	16%
MONGOLIA	26	23	50	171	29%
MOZAMBIQUE	337	249	586	1 267	46%
NICARAGUA	93	163	256	533	48%
NIGER	33	89	123	393	31%
PERU	33	54	87	559	16%
RWANDA	198	39	237	571	42%
SENEGAL	60	233	293	498	59%
SOUTH AFRICA	0	154	154	583	27%
TANZANIA	573	222	795	1 433	55%
UGANDA	391	152	543	1 088	50%
VIET NAM	337	328	665	1 956	34%
YEMEN	11	172	184	370	50%
ZAMBIA	143	222	365	773	47%
TOTAL	4 916	5 595	10 511	24 448	43%
Average country ratio	35%

TABLE A.10a **Indicator 10a: How many donor missions are co-ordinated?**

	Co-ordinated donor missions* (missions)	Total donor missions (missions)	Baseline ratio (%)
	a	b	c = a / b
AFGHANISTAN	94	363	26%
ALBANIA	23	257	9%
BANGLADESH	55	286	19%
BENIN	25	175	14%
BOLIVIA	44	257	17%
BURKINA FASO	63	375	17%
BURUNDI	34	139	24%
CAMBODIA	146	568	26%
CAPE VERDE	8	74	11%
CONGO DEM. REP.	80	208	38%
DOMINICAN REPUBLIC	17	85	20%
EGYPT	69	381	18%
ETHIOPIA	55	207	27%
GHANA	66	336	20%
HONDURAS	112	521	22%
KENYA	29	319	9%
KYRGYZ REPUBLIC	79	340	23%
MALAWI	43	180	24%
MALI	22	300	7%
MAURITANIA	50	362	14%
MOLDOVA	40	201	20%
MONGOLIA	12	479	3%
MOZAMBIQUE	144	310	46%
NICARAGUA	34	358	9%
NIGER	35	168	21%
PERU	9	81	11%
RWANDA	21	244	9%
SENEGAL	44	301	14%
SOUTH AFRICA	32	169	19%
TANZANIA	94	542	17%
UGANDA	79	456	17%
VIET NAM	76	791	10%
YEMEN	120	458	26%
ZAMBIA	23	155	15%
TOTAL	1 876	10 445	18%

(*) Number of co-ordinated missions by country have been adjusted to avoid double counting.

TABLE A.10b Indicator 10b: How much country analysis is co-ordinated?

	Co-ordinated donor analytical work* (analyses) a	Total donor analytical work (analyses) b	Baseline ratio (%) c = a / b
AFGHANISTAN	50	147	34%
ALBANIA	17	74	22%
BANGLADESH	26	70	38%
BENIN	28	74	38%
BOLIVIA	15	50	30%
BURKINA FASO	35	78	45%
BURUNDI	17	30	55%
CAMBODIA	71	118	60%
CAPE VERDE	8	22	34%
CONGO DEM. REP.	53	149	35%
DOMINICAN REPUBLIC	14	30	48%
EGYPT	41	103	40%
ETHIOPIA	26	53	50%
GHANA	19	47	40%
HONDURAS	64	141	45%
KENYA	26	79	32%
KYRGYZ REPUBLIC	40	75	53%
MALAWI	21	35	60%
MALI	12	40	30%
MAURITANIA	33	56	59%
MOLDOVA	11	22	50%
MONGOLIA	21	60	35%
MOZAMBIQUE	55	87	63%
NICARAGUA	34	64	53%
NIGER	31	77	40%
PERU	8	55	15%
RWANDA	25	68	36%
SENEGAL	44	111	40%
SOUTH AFRICA	7	9	75%
TANZANIA	31	81	38%
UGANDA	59	146	40%
VIET NAM	35	144	24%
YEMEN	80	145	55%
ZAMBIA	35	77	46%
TOTAL	1 089	2 617	42%

(*) Total number of co-ordinated analytical works by country have been adjusted to avoid double counting.

TABLE A.11 Indicator 11: Do countries have monitorable performance assessment frameworks?

Country	Score	Country	Score	Country	Score
AFGHANISTAN	..	ETHIOPIA	..	NIGER	C
ALBANIA	D	GHANA	C	PERU	D
BANGLADESH	D	HONDURAS	C	RWANDA	..
BENIN	C	KENYA	C	SENEGAL	C
BOLIVIA	C	KYRGYZ REP.	C	SOUTH AFRICA	C
BURKINA FASO	C	MALAWI	C	TANZANIA	..
BURUNDI	D	MALI	C	UGANDA	B
CAMBODIA	C	MAURITANIA	D	VIET NAM	B
CAPE VERDE	D	MOLDOVA	C	YEMEN	C
CONGO	D	MONGOLIA	D	ZAMBIA	D
DOM. REP.	..	MOZAMBIQUE	C		
EGYPT	..	NICARAGUA	C		

TABLE A.12 Indicator 12: Do countries have reviews of mutual accountability?**“YES”**

Countries that **DO** have mechanisms for mutual review of progress (2005)

AFGHANISTAN
BOLIVIA
CAMBODIA
CAPE VERDE
EGYPT
ETHIOPIA
GHANA
MALAWI
MOLDOVA
MOZAMBIQUE
NICARAGUA
SOUTH AFRICA
TANZANIA
VIET NAM
ZAMBIA

15 countries (44%)

“NO”

Countries that **DO NOT** have mechanisms for mutual review of progress (2005)

ALBANIA
BANGLADESH
BENIN
BURKINA FASO
BURUNDI
CONGO DEMOCRATIC REPUBLIC
DOMINICAN REPUBLIC
HONDURAS
KENYA
KYRGYZ REPUBLIC
MALI
MAURITANIA
MONGOLIA
NIGER
PERU
RWANDA
SENEGAL
UGANDA
YEMEN

19 countries (56%)

B DONOR DATA

ONE TABLE PER INDICATOR

THE FOLLOWING TABLES PRESENT RESULTS on a donor-by-donor basis for all the indicators that are based on donors' data (Indicators 3 to 10b). The tables are listed indicator-by-indicator for all donors (one table per indicator).

Data are available for the 55 donors that took part in the 2006 survey. Not all donors are listed in the tables below. The following criteria were applied in establishing donors that are listed in Appendix B:

- All OECD donors that have reported data in at least one country.
- Other donors (bilateral and multilateral) that have reported over USD 100 million for the government sector in at least three countries, or that have asked to be included.

Donors that are not listed individually have been aggregated in the "All Other Donors" category in the tables.

The charts presenting the results of the largest donors in Chapter 1 are based on data included in Appendix B. The largest donors include only those donors that have reported over USD 100 million for the government sector in at least three countries.

TABLE B.3 **Indicator 3: Are government budget estimates comprehensive and realistic?**

	No. of countries	Government's budget estimates of aid flows for FY05 (USD m) a	Aid disbursed by donors for government sector in FY05 (USD m) b	Baseline ratio* (%) c = a / b c = b / a
African Development Bank	17	734	700	95%
Asian Development Bank	6	587	671	88%
Australia	5	28	77	36%
Austria	7	10	13	79%
Belgium	16	64	145	44%
Canada	22	258	342	75%
Denmark	18	246	520	47%
European Commission	34	1 919	2 364	81%
Finland	11	101	87	87%
France	26	205	392	52%
GAVI Alliance	11	0	61	0%
Germany	32	555	1 000	55%
Global Fund	27	88	338	26%
Inter-American Development Bank	5	505	305	60%
Ireland	6	70	147	48%
Italy	13	49	138	36%
Japan	30	1 096	1 615	68%
Korea	3	2	17	12%
Luxembourg	3	26	33	77%
Netherlands	24	410	586	70%
New Zealand	3	2	4	40%
Norway	13	139	248	56%
Portugal	2	18	75	24%
Spain	11	91	104	87%
Sweden	24	216	444	49%
Switzerland	21	66	126	52%
United Kingdom	23	921	1 102	84%
United Nations	34	411	1 148	36%
United States	29	1 328	1 199	90%
World Bank	32	5 012	5 307	94%
All Other Donors	--	2 332	609	29%
TOTAL		17 488	19 919	88%
Average country ratio		42%

* Baseline ratio is $c = a / b$ except where government's budget estimates are greater than disbursements ($c = b / a$).

TABLE B.4 **Indicator 4: How much technical assistance is co-ordinated with country programmes?**

	No. of countries	Co-ordinated technical co-operation (USD m) a	Total technical co-operation (USD m) b	Baseline ratio (%) c = a / b
African Development Bank	17	14	37	38%
Asian Development Bank	6	24	66	37%
Australia	5	4	43	9%
Austria	7	3	22	15%
Belgium	16	17	96	18%
Canada	22	60	154	39%
Denmark	18	63	131	48%
European Commission	34	173	497	35%
Finland	11	21	39	53%
France	26	26	128	20%
GAVI Alliance	11	0	0	--
Germany	32	127	342	37%
Global Fund	27	0	0	--
Inter-American Development Bank	5	9	40	24%
Ireland	6	3	6	52%
Italy	13	15	39	39%
Japan	30	605	813	74%
Korea	3	8	11	74%
Luxembourg	3	0	2	0%
Netherlands	24	37	102	36%
New Zealand	3	1	5	11%
Norway	13	49	63	78%
Portugal	2	38	49	77%
Spain	11	12	115	10%
Sweden	24	72	111	64%
Switzerland	21	19	94	20%
United Kingdom	23	153	250	61%
United Nations	34	280	634	43%
United States	29	610	1 303	47%
World Bank	32	231	404	57%
All Other Donors	--	13	34	37%
TOTAL		2 687	5 630	48%
Average country ratio		42%

TABLE B.5

Indicator 5: How much aid for the government sectors uses country systems?

	No. of countries	Aid disbursed for gov. sector (USD m) a	PFM systems				Procurement systems	
			Budget executions (USD m) b	Financial reporting (USD m) c	Auditing (USD m) d	Average use of 3 systems (%) vg(b,c,d) / a	e (USD m)	e/a
African Development Bank	17	700	304	195	194	33%	304	43%
Asian Development Bank	6	671	567	408	408	69%	300	45%
Australia	5	77	0	1	14	6%	4	5%
Austria	7	13	4	1	3	22%	4	32%
Belgium	16	145	34	38	31	24%	63	43%
Canada	22	342	151	144	137	42%	151	44%
Denmark	18	520	159	167	128	29%	234	45%
European Commission	34	2 364	998	967	865	40%	972	41%
Finland	11	87	35	37	26	38%	45	52%
France	26	392	111	144	70	28%	234	60%
GAVI Alliance	11	61	0	0	60	33%	1	2%
Germany	32	1 000	404	360	302	35%	337	34%
Global Fund	27	338	215	197	0	41%	150	44%
Inter-American Development Bank	5	305	292	94	24	45%	0	0%
Ireland	6	147	141	130	124	90%	142	96%
Italy	13	138	36	57	29	29%	69	50%
Japan	30	1 615	469	466	469	29%	423	26%
Korea	3	17	7	7	7	45%	0	0%
Luxembourg	3	33	0	0	0	0%	0	0%
Netherlands	24	586	407	405	427	71%	459	78%
New Zealand	3	4	0	1	0	10%	1	14%
Norway	13	248	159	146	149	61%	171	69%
Portugal	2	75	60	60	60	79%	60	80%
Spain	11	104	34	6	12	16%	15	14%
Sweden	24	444	220	217	190	47%	214	48%
Switzerland	21	126	56	59	63	47%	66	52%
United Kingdom	23	1 102	851	827	796	75%	839	76%
United Nations	34	1 148	254	183	179	18%	86	8%
United States	29	1 199	125	117	119	10%	145	12%
World Bank	32	5 307	2 571	1 843	2 230	42%	2 146	40%
All Other Donors	--	609	329	86	92	28%	95	16%
TOTAL		19 919	8 994	7 365	7 205	39%	7 729	39%
Average country ratio		33%	..	38%

TABLE B.6

INDICATOR 6: How many PIUs are parallel to country structures?

	No. of countries	Parallel PIUs (PIUs)
African Development Bank	17	132
Asian Development Bank	6	39
Australia	5	27
Austria	7	18
Belgium	16	67
Canada	22	98
Denmark	18	69
European Commission	34	204
Finland	11	9
France	26	63
GAVI Alliance	11	0
Germany	32	40
Global Fund	27	4
Inter-American Development Bank	5	64
Ireland	6	6
Italy	13	30
Japan	30	2
Korea	3	0
Luxembourg	3	1
Netherlands	24	23
New Zealand	3	0
Norway	13	3
Portugal	2	1
Spain	11	66
Sweden	24	36
Switzerland	21	57
United Kingdom	23	41
United Nations	34	315
United States	29	208
World Bank	32	223
All Other Donors	--	10
TOTAL		1 856
Average		62

TABLE B.7 Indicator 7: Are disbursements on schedule and recorded by government?

	No. of countries	Disbursements recorded by government in FY05 (USD m) a	Aid scheduled by donors for disbursement in FY05 (USD m) b	Aid actually disbursed by donors in FY05 (USD m) for ref. only	Baseline ratio* (%) c = a / b c = b / a
African Development Bank	17	515	925	700	56%
Asian Development Bank	6	560	612	671	91%
Australia	5	23	78	77	29%
Austria	7	4	10	13	36%
Belgium	16	60	159	145	38%
Canada	22	251	345	342	73%
Denmark	18	248	501	520	49%
European Commission	34	1 632	2 515	2 364	65%
Finland	11	26	94	87	27%
France	26	156	344	392	45%
GAVI Alliance	11	0	62	61	0%
Germany	32	516	688	1 000	75%
Global Fund	27	68	335	338	20%
Inter-American Development Bank	5	282	344	305	82%
Ireland	6	90	125	147	72%
Italy	13	28	62	138	45%
Japan	30	1 042	1 588	1 615	66%
Korea	3	2	17	17	12%
Luxembourg	3	20	35	33	57%
Netherlands	24	421	644	586	65%
New Zealand	3	2	5	4	38%
Norway	13	144	287	248	50%
Portugal	2	18	88	75	20%
Spain	11	70	92	104	76%
Sweden	24	254	471	444	54%
Switzerland	21	78	136	126	58%
United Kingdom	23	988	1 094	1 102	90%
United Nations	34	392	1 227	1 148	32%
United States	29	713	1 573	1 199	45%
World Bank	32	4 150	6 061	5 307	68%
All Other Donors	--	2 102	585	609	28%
TOTAL		14 851	21 100	19 919	70%
Average country ratio		41%

* Baseline ratio is $c = a / b$ except where disbursements recorded by government are greater than aid scheduled for disbursement ($c = b / a$).

TABLE B.8 Indicator 8: How much aid is untied?

	No. of countries	Total bilateral aid as reported to the DAC (USD m) a	Untied aid (USD m) b	Share of untied aid (%) c = b / a
African Development Bank	17	--	--	--
Asian Development Bank	6	--	--	--
Australia	5	46	25	54%
Austria	7	53	27	51%
Belgium	16	251	244	97%
Canada	22	441	351	80%
Denmark	18	1 130	961	85%
European Commission	34	--	--	--
Finland	11	155	152	98%
France	26	1 080	974	90%
GAVI Alliance	11	--	--	--
Germany	32	726	682	94%
Global Fund	27	--	--	--
Inter-American Development Bank	5	--	--	--
Ireland	6	256	256	100%
Italy	13	502	208	41%
Japan	30	3 089	2 759	89%
Korea	3	--	--	--
Luxembourg	3	91	91	100%
Netherlands	24	1 230	1 114	91%
New Zealand	3	25	12	48%
Norway	13	550	544	99%
Portugal	2	75	19	26%
Spain	11	484	147	30%
Sweden	24	814	814	100%
Switzerland	21	237	228	96%
United Kingdom	23	2 356	2 356	100%
United Nations	34	--	--	--
United States	29	2 612	186	7%
World Bank	32	--	--	--
All Other Donors	--	--	--	--
TOTAL		16 200	12 149	75%
Average country ratio		82%

TABLE B.9 Indicator 9: How much aid is programme based?

	No. of countries	Programme-based approaches			Total aid disbursed	Baseline ratio
		Budget support (USD m) a	Other PBAs (USD m) b	Total (USD m) c = a + b	(USD m) d	(%) e = c / d
African Development Bank	17	236	49	285	705	40%
Asian Development Bank	6	141	20	161	693	23%
Australia	5	4	27	31	108	29%
Austria	7	1	12	13	29	45%
Belgium	16	16	45	61	192	32%
Canada	22	111	139	250	495	51%
Denmark	18	101	266	368	617	60%
European Commission	34	870	524	1 394	2 777	50%
Finland	11	11	33	44	111	39%
France	26	85	52	137	490	28%
GAVI Alliance	11	0	10	10	61	17%
Germany	32	62	155	218	1 082	20%
Global Fund	27	0	382	382	465	82%
Inter-American Development Bank	5	24	120	144	323	45%
Ireland	6	79	34	113	176	64%
Italy	13	8	54	63	155	40%
Japan	30	88	467	554	1 687	33%
Korea	3	0	0	0	17	0%
Luxembourg	3	0	14	14	34	41%
Netherlands	24	194	305	499	733	68%
New Zealand	3	0	0	0	6	6%
Norway	13	74	72	147	409	36%
Portugal	2	1	1	3	79	4%
Spain	11	20	19	39	287	14%
Sweden	24	140	147	287	605	47%
Switzerland	21	37	23	60	230	26%
United Kingdom	23	628	273	901	1 523	59%
United Nations	34	14	458	472	1 623	29%
United States	29	110	687	798	2 835	28%
World Bank	32	1 810	1 186	2 997	5 228	57%
All Other Donors	--	51	17	68	673	10%
TOTAL		4 916	5 595	10 511	24 448	43%
Average country ratio		35%

TABLE B.10a **Indicator 10a: How many donor missions are co-ordinated?**

	No. of countries	Co-ordinated donor missions* (missions) a	Total donor missions (missions) b	Baseline ratio (%) c = a / b
African Development Bank	17	60	317	19%
Asian Development Bank	6	22	405	5%
Australia	5	1	15	7%
Austria	7	5	36	14%
Belgium	16	15	67	22%
Canada	22	55	333	17%
Denmark	18	52	158	33%
European Commission	34	189	580	33%
Finland	11	21	80	26%
France	26	66	687	10%
GAVI Alliance	11	0	0	--
Germany	32	120	425	28%
Global Fund	27	12	73	16%
Inter-American Development Bank	5	117	285	41%
Ireland	6	13	32	41%
Italy	13	7	93	8%
Japan	30	11	537	2%
Korea	3	0	19	0%
Luxembourg	3	2	10	20%
Netherlands	24	70	153	46%
New Zealand	3	1	5	20%
Norway	13	44	79	56%
Portugal	2	3	6	50%
Spain	11	5	66	8%
Sweden	24	65	203	32%
Switzerland	21	39	115	34%
United Kingdom	23	156	354	44%
United Nations	34	866	2 876	30%
United States	29	96	347	28%
World Bank	32	437	2 058	21%
All Other Donors	--	--	--	--

TABLE B.10b Indicator 10b: How much country analysis is co-ordinated?

	No. of countries	Co-ordinated donor analytical work* (analyses) a	Total donor analytical work (analyses) b	Baseline ratio (%) c = a / b
African Development Bank	17	17	31	55%
Asian Development Bank	6	17	35	49%
Australia	5	7	28	25%
Austria	7	1	3	33%
Belgium	16	9	27	33%
Canada	22	31	82	38%
Denmark	18	52	65	80%
European Commission	34	111	248	45%
Finland	11	11	19	58%
France	26	32	79	41%
GAVI Alliance	11	0	0	--
Germany	32	58	116	50%
Global Fund	27	2	6	33%
Inter-American Development Bank	5	27	39	69%
Ireland	6	4	7	57%
Italy	13	2	11	18%
Japan	30	14	27	52%
Korea	3	0	0	--
Luxembourg	3	2	3	67%
Netherlands	24	27	35	77%
New Zealand	3	4	4	100%
Norway	13	24	31	77%
Portugal	2	0	3	0%
Spain	11	3	25	12%
Sweden	24	38	111	34%
Switzerland	21	25	42	60%
United Kingdom	23	73	106	69%
United Nations	34	595	945	63%
United States	29	95	243	39%
World Bank	32	91	187	49%
All Other Donors	--	--	--	--

C DONOR DATA

ONE TABLE PER DONOR

THE FOLLOWING TABLES PRESENT RESULTS on a donor-by-donor basis for all the indicators that are based on donors' data (Indicators 3 to 10b). There is one table per donor.

Data are available for the 55 donors that took part in the 2006 survey. Not all donors have a table in the appendix. The following criteria were applied in establishing the 30 donors that are shown in Appendix C:

- All OECD donors that have reported data in at least one country.
- Other donors (bilateral and multilateral) that have reported over USD 100 million for the government sector in at least three countries, or that have asked to be included.

Note: Table C.0 "2010 Targets for the Paris Declaration" is forthcoming.

TABLE C.1 African Development Bank

Information in the table below covers data reported in 17 countries out of 34 and reflects 74% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 734 m USD 700 m	95%	59%	98%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 14 m USD 37 m	38%	36%	50%
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 231 m USD 700 m	33%	28%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 304 m USD 700 m	43%	32%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	132 17	132	7.8	44
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 515 m USD 925 m	56%	52%	78%
8 Aid is untied	Untied aid Total bilateral aid	-- --	--	--	--
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 285 m USD 705 m	40%	37%	66%
10a Joint missions	Number of joint missions Total number of missions	60 317	19%	19%	40%
10b Joint country analytical work	Number of joint analyses Total number of country analyses	17 31	55%	55%	66%

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.2 Asian Development Bank

Information in the table below covers data reported in 6 countries out of 34 and reflects 54% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 587 m USD 671 m	88%	62%	94%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 24 m USD 66 m	37%	64%	50%
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 461 m USD 671 m	69%	56%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 300 m USD 671 m	45%	35%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	39 6	39	6.5	13
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 560 m USD 612 m	91%	86%	96%
8 Aid is untied	Untied aid Total bilateral aid	USD -- m USD -- m	--	--	--
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 161 m USD 693 m	23%	27%	66%
10a Joint missions	Number of joint missions Total number of missions	22 405	5%	5%	40%
10b Joint country analytical work	Number of joint analyses Total number of country analyses	17 35	49%	49%	66%

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.3 Australia

Information in the table below covers data reported in 5 countries out of 34 and reflects 12% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 28 m USD 77 m	36%	29%	85%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 4 m USD 43 m	9%	48%	50%
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 5 m USD 77 m	6%	6%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 4 m USD 77 m	5%	10%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	27 5	27	5.4	9
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 23 m USD 78 m	29%	33%	65%
8 Aid is untied	Untied aid Total bilateral aid	USD 25 m USD 46 m	54%	39%	More than 54%
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 31 m USD 108 m	29%	28%	66%
10a Joint missions	Number of joint missions Total number of missions	1 15	7%	7%	40%
10b Joint country analytical work	Number of joint analyses Total number of country analyses	7 28	25%	25%	66%

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.4 Austria

Information in the table below covers data reported in 7 countries out of 34 and reflects 16% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 10 m USD 13 m	79%	36%	90%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 3 m USD 22 m	15%	12%	50%
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 3 m USD 13 m	22%	23%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 4 m USD 13 m	32%	33%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	18 7	18	2.6	6
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 4 m USD 10 m	36%	23%	68%
8 Aid is untied	Untied aid Total bilateral aid	USD 27 m USD 53 m	51%	49%	More than 51%
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 13 m USD 29 m	45%	28%	66%
10a Joint missions	Number of joint missions Total number of missions	5 36	14%	14%	40%
10b Joint country analytical work	Number of joint analyses Total number of country analyses	1 3	33%	33%	66%

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.5 Belgium

Information in the table below covers data reported in 16 countries out of 34 and reflects 38% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 64 m USD 145 m	44%	42%	85%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 17 m USD 96 m	18%	26%	50%
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 35 m USD 145 m	24%	29%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 63 m USD 145 m	43%	54%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	67 16	67	4.2	22
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 60 m USD 159 m	38%	32%	69%
8 Aid is untied	Untied aid Total bilateral aid	USD 244 m USD 251 m	97%	89%	More than 97%
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 61 m USD 192 m	32%	32%	66%
10a Joint missions	Number of joint missions Total number of missions	15 67	22%	22%	40%
10b Joint country analytical work	Number of joint analyses Total number of country analyses	9 27	33%	33%	66%

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.6 Canada

Information in the table below covers data reported in 22 countries out of 34 and reflects 42% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 258 m USD 342 m	75%	51%	88%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 60 m USD 154 m	39%	32%	50%
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 144 m USD 342 m	42%	35%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 151 m USD 342 m	44%	37%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	98 22	98	4.5	33
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 251 m USD 345 m	73%	42%	86%
8 Aid is untied	Untied aid Total bilateral aid	USD 351 m USD 441 m	80%	73%	More than 80%
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 250 m USD 495 m	51%	33%	66%
10a Joint missions	Number of joint missions Total number of missions	55 333	17%	17%	40%
10b Joint country analytical work	Number of joint analyses Total number of country analyses	31 82	38%	38%	66%

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.7 Denmark

Information in the table below covers data reported in 18 countries out of 34 and reflects 69% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 246 m USD 520 m	47%	47%	85%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 63 m USD 131 m	48%	44%	50%
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 151 m USD 520 m	29%	27%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 234 m USD 520 m	45%	46%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	69 18	69	3.8	23
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 248 m USD 501 m	49%	50%	75%
8 Aid is untied	Untied aid Total bilateral aid	USD 961 m USD 1 130 m	85%	93%	More than 85%
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 368 m USD 617 m	60%	58%	66%
10a Joint missions	Number of joint missions Total number of missions	52 158	33%	33%	40%
10b Joint country analytical work	Number of joint analyses Total number of country analyses	52 65	80%	80%	Target of 66% achieved

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.8 European Commission

Information in the table below covers data reported in 34 countries out of 34 and reflects 45% of country programmed aid in 2005.

Indicators		Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3	Aid flows are aligned on national priorities	Aid for government sector in budget	USD 1 919 m	81%	56%	91%
		Aid disbursed for government sector	USD 2 364 m			
4	Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation	USD 173 m	35%	23%	50%
		Technical co-operation	USD 497 m			
5a	Use of country public financial management systems	Use of PFM systems	USD 943 m	40%	38%	Not applicable
		Aid disbursed for government sector	USD 2 364 m			
5b	Use of country procurement systems	Use of procurement systems	USD 972 m	41%	40%	Not applicable
		Aid disbursed for government sector	USD 2 364 m			
6	Avoid parallel implementation structures	Number of parallel PIUs	204	204	6.0	68
		Number of countries	34			
7	Aid is more predictable	Aid recorded as disbursed	USD 1 632 m	65%	49%	82%
		Aid scheduled for disbursement	USD 2 515 m			
8	Aid is untied	Untied aid	--	--	--	--
		Total bilateral aid	--			
9	Use of common arrangements or procedures	Programme-based approaches	USD 1 394 m	50%	45%	66%
		Total aid disbursed	USD 2 777 m			
10a	Joint missions	Number of joint missions	189	33%	33%	40%
		Total number of missions	580			
10b	Joint country analytical work	Number of joint analyses	111	45%	45%	66%
		Total number of country analyses	248			

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.9 Finland

Information in the table below covers data reported in 11 countries out of 34 and reflects 49% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 101 m USD 87 m	87%	32%	93%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 21 m USD 39 m	53%	59%	Target of 50% achieved
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 33 m USD 87 m	38%	30%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 45 m USD 87 m	52%	43%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	9 11	9	0.8	3
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 26 m USD 94 m	27%	34%	64%
8 Aid is untied	Untied aid Total bilateral aid	USD 152 m USD 155 m	98%	95%	More than 98%
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 44 m USD 111 m	39%	40%	66%
10a Joint missions	Number of joint missions Total number of missions	21 80	26%	26%	40%
10b Joint country analytical work	Number of joint analyses Total number of country analyses	11 19	58%	58%	66%

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.10 France

Information in the table below covers data reported in 26 countries out of 34 and reflects 15% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 205 m USD 392 m	52%	43%	85%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 26 m USD 128 m	20%	15%	50%
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 108 m USD 392 m	28%	28%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 234 m USD 392 m	60%	52%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	63 26	63	2.4	21
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 156 m USD 344 m	45%	30%	73%
8 Aid is untied	Untied aid Total bilateral aid	USD 974 m USD 1 080 m	90%	88%	More than 90%
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 137 m USD 490 m	28%	19%	66%
10a Joint missions	Number of joint missions Total number of missions	66 687	10%	10%	40%
10b Joint country analytical work	Number of joint analyses Total number of country analyses	32 79	41%	41%	66%

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.11 GAVI Alliance

Information in the table below covers data reported in 11 countries out of 34 and reflects --% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 0 m USD 61 m	0%	0%	85%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 0 m USD 0 m	--	--	--
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 20 m USD 61 m	33%	30%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 1 m USD 61 m	2%	6%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	0 11	0	0	0
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 0 m USD 62 m	0%	0%	50%
8 Aid is untied	Untied aid Total bilateral aid	-- --	--	--	--
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 10 m USD 61 m	17%	27%	66%
10a Joint missions	Number of joint missions Total number of missions	0 0	--	--	--
10b Joint country analytical work	Number of joint analyses Total number of country analyses	0 0	--	--	--

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.12 Germany

Information in the table below covers data reported in 32 countries out of 34 and reflects 30% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 555 m USD 1 000 m	55%	50%	85%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 127 m USD 342 m	37%	36%	50%
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 355 m USD 1 000 m	35%	28%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 337 m USD 1 000 m	34%	35%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	40 32	40	1.3	13
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 516 m USD 688 m	75%	48%	87%
8 Aid is untied	Untied aid Total bilateral aid	USD 682 m USD 726 m	94%	69%	More than 94%
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 218 m USD 1 082 m	20%	23%	66%
10a Joint missions	Number of joint missions Total number of missions	120 425	28%	28%	40%
10b Joint country analytical work	Number of joint analyses Total number of country analyses	58 116	50%	50%	66%

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.13 Global Fund*

Information in the table below covers data reported in 27 countries out of 34 and reflects 47% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 88 m USD 338 m	26%	35%	85%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 0 m USD 0 m	--	--	--
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 137 m USD 338 m	41%	37%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 150 m USD 338 m	44%	38%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	4 27	4	0.1	1
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 68 m USD 335 m	20%	33%	60%
8 Aid is untied	Untied aid Total bilateral aid	-- --	--	--	--
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 382 m USD 465 m	82%	73%	Target of 66% achieved
10a Joint missions	Number of joint missions Total number of missions	12 73	16%	16%	40%
10b Joint country analytical work	Number of joint analyses Total number of country analyses	2 6	33%	33%	66%

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

* The Global Fund disburses finances for health. Disbursements reported to Ministries of Health are included in the national budget and recorded by the National Treasury at the discretion of each country. For the survey year, 90% of Global Fund disbursements were notified to country health ministries. The differences are due to reporting from Ministry of Health to the National Treasury

TABLE C.14 Inter-American Development Bank

Information in the table below covers data reported in 5 countries out of 34 and reflects 65% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 505 m USD 305 m	60%	48%	85%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 9 m USD 40 m	24%	40%	50%
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 137 m USD 305 m	45%	29%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 0 m USD 305 m	0%	0%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	64 5	64	12.8	21
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 282 m USD 344 m	82%	88%	91%
8 Aid is untied	Untied aid Total bilateral aid	-- --	--	--	--
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 144 m USD 323 m	45%	25%	66%
10a Joint missions	Number of joint missions Total number of missions	117 285	41%	41%	Target of 40% achieved
10b Joint country analytical work	Number of joint analyses Total number of country analyses	27 39	69%	69%	Target of 66% achieved

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same, es.

TABLE C.15 Ireland

Information in the table below covers data reported in 6 countries out of 34 and reflects 53% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 70 m USD 147 m	48%	48%	85%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 3 m USD 6 m	52%	47%	Target of 50% achieved
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 132 m USD 147 m	90%	90%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 142 m USD 147 m	96%	95%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	6 6	6	1.0	2
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 90 m USD 125 m	72%	63%	86%
8 Aid is untied	Untied aid Total bilateral aid	256 256	100%	100%	Target achieved
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 113 m USD 176 m	64%	59%	66%
10a Joint missions	Number of joint missions Total number of missions	13 32	41%	41%	Target of 40% achieved
10b Joint country analytical work	Number of joint analyses Total number of country analyses	4 7	57%	57%	66%

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.16 Italy

Information in the table below covers data reported in 13 countries out of 34 and reflects 31% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 49 m USD 138 m	36%	16%	85%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 15 m USD 39 m	39%	45%	50%
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 40 m USD 138 m	29%	38%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 69 m USD 138 m	50%	49%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	30 13	30	2.3	10
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 28 m USD 62 m	45%	8%	73%
8 Aid is untied	Untied aid Total bilateral aid	USD 208 m USD 502 m	41%	91%	More than 41%
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 63 m USD 155 m	40%	25%	66%
10a Joint missions	Number of joint missions Total number of missions	7 93	8%	8%	40%
10b Joint country analytical work	Number of joint analyses Total number of country analyses	2 11	18%	18%	66%

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.17 Japan

Information in the table below covers data reported in 30 countries out of 34 and reflects 20% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 1 096 m USD 1 615 m	68%	30%	85%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 605 m USD 813 m	74%	36%	Target of 50% achieved
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 468 m USD 1 615 m	29%	16%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 423 m USD 1 615 m	26%	14%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	2 30	2	0.1	1
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 1 042 m USD 1 588 m	66%	34%	83%
8 Aid is untied	Untied aid Total bilateral aid	USD 2 759 m USD 3 089 m	89%	99%	More than 89%
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 554 m USD 1 687 m	33%	26%	66%
10a Joint missions	Number of joint missions Total number of missions	11 537	2%	2%	40%
10b Joint country analytical work	Number of joint analyses Total number of country analyses	14 27	52%	52%	66%

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.18 Korea

Information in the table below covers data reported in 3 countries out of 34 and reflects 4% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targetss
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 2 m USD 17 m	12%	11%	85%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 8 m USD 11 m	74%	50%	Target of 50% achieved
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 7 m USD 17 m	45%	33%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 0 m USD 17 m	0%	0%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	0 3	0	0.0	0
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 2 m USD 17 m	12%	11%	56%
8 Aid is untied	Untied aid Total bilateral aid	-- --	--	--	--
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 0 m USD 17 m	0%	0%	66%
10a Joint missions	Number of joint missions Total number of missions	0 19	0%	0%	40%
10b Joint country analytical work	Number of joint analyses Total number of country analyses	0 0	--	--	--

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same, i.e.

TABLE C.19 Luxembourg

Information in the table below covers data reported in 3 countries out of 34 and reflects 25% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 26 m USD 33 m	77%	66%	89%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 0 m USD 2 m	0%	0%	50%
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 0 m USD 33 m	0%	0%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 0 m USD 33 m	0%	0%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	1 3	1	0.3	0
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 20 m USD 35 m	57%	51%	78%
8 Aid is untied	Untied aid Total bilateral aid	USD 91 m USD 91 m	100%	100%	Target of 100% achieved
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 14 m USD 34 m	41%	32%	66%
10a Joint missions	Number of joint missions Total number of missions	2 10	20%	20%	40%
10b Joint country analytical work	Number of joint analyses Total number of country analyses	2 3	67%	67%	Target of 66% achieved

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.20 Netherlands

Information in the table below covers data reported in 24 countries out of 34 and reflects 42% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 410 m USD 586 m	70%	44%	85%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 37 m USD 102 m	36%	--	50%
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 413 m USD 586 m	71%	60%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 459 m USD 586 m	78%	72%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	23 24	23	1.0	8
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 421 m USD 644 m	65%	52%	83%
8 Aid is untied	Untied aid Total bilateral aid	USD 1 114 m USD 1 230 m	91%	83%	More than 91%
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 499 m USD 733 m	68%	61%	Target of 66% achieved
10a Joint missions	Number of joint missions Total number of missions	70 153	46%	46%	Target of 44% achieved
10b Joint country analytical work	Number of joint analyses Total number of country analyses	27 35	77%	77%	Target of 66% achieved

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.21 New Zealand

Information in the table below covers data reported in 3 countries out of 34 and reflects 5% of country programmed aid in 2005.

Indicators		Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3	Aid flows are aligned on national priorities	Aid for government sector in budget	USD 2 m	40%	58%	85%
		Aid disbursed for government sector	USD 4 m			
4	Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation	USD 1 m	11%	7%	50%
		Technical co-operation	USD 5 m			
5a	Use of country public financial management systems	Use of PFM systems	USD 0 m	10%	34%	Not applicable
		Aid disbursed for government sector	USD 4 m			
5b	Use of country procurement systems	Use of procurement systems	USD 1 m	14%	36%	Not applicable
		Aid disbursed for government sector	USD 4 m			
6	Avoid parallel implementation structures	Number of parallel PIUs	0	0	0.0	0
		Number of countries	3			
7	Aid is more predictable	Aid recorded as disbursed	USD 2 m	38%	58%	69%
		Aid scheduled for disbursement	USD 5 m			
8	Aid is untied	Untied aid	USD 12 m	48%	89%	More than 48%
		Total bilateral aid	USD 25 m			
9	Use of common arrangements or procedures	Programme-based approaches	USD 0 m	6%	8%	66%
		Total aid disbursed	USD 6 m			
10a	Joint missions	Number of joint missions	1	20%	20%	40%
		Total number of missions	5			
10b	Joint country analytical work	Number of joint analyses	4	100%	100%	Target of 66% achieved
		Total number of country analyses	4			

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.22 Norway

Information in the table below covers data reported in 13 countries out of 34 and reflects 40% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 139 m USD 248 m	56%	57%	85%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 49 m USD 63 m	78%	65%	Target of 50% achieved
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 151 m USD 248 m	61%	56%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 171 m USD 248 m	69%	66%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	3 13	3	0.2	1
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 144 m USD 287 m	50%	55%	75%
8 Aid is untied	Untied aid Total bilateral aid	USD 544 m USD 550 m	99%	98%	More than 99%
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 147 m USD 409 m	30%	34%	66%
10a Joint missions	Number of joint missions Total number of missions	44 79	56%	56%	Target of 50% achieved
10b Joint country analytical work	Number of joint analyses Total number of country analyses	24 31	77%	77%	Target of 66% achieved

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.23 Portugal

Information in the table below covers data reported in 2 countries out of 34 and reflects 44% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 18 m USD 75 m	24%	15%	85%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 38 m USD 49 m	77%	50%	Target of 50% achieved
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 60 m USD 75 m	79%	54%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 60 m USD 75 m	80%	54%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	1 2	1	0.5	0
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 18 m USD 88 m	20%	15%	60%
8 Aid is untied	Untied aid Total bilateral aid	USD 19 m USD 75 m	26%	85%	More than 26%
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 3 m USD 79 m	4%	6%	66%
10a Joint missions	Number of joint missions Total number of missions	3 6	50%	50%	Target of 40% achieved
10b Joint country analytical work	Number of joint analyses Total number of country analyses	0 3	0%	0%	66%

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.24 Spain

Information in the table below covers data reported in 11 countries out of 34 and reflects 25% of country programmed aid in 2005.

Indicators		Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3	Aid flows are aligned on national priorities	Aid for government sector in budget	USD 91 m	87%	41%	93%
		Aid disbursed for government sector	USD 104 m			
4	Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation	USD 12 m	10%	38%	50%
		Technical co-operation	USD 115 m			
5a	Use of country public financial management systems	Use of PFM systems	USD 17 m	16%	21%	Not applicable
		Aid disbursed for government sector	USD 104 m			
5b	Use of country procurement systems	Use of procurement systems	USD 15 m	14%	23%	Not applicable
		Aid disbursed for government sector	USD 104 m			
6	Avoid parallel implementation structures	Number of parallel PIUs	66	66	6.0	22
		Number of countries	11			
7	Aid is more predictable	Aid recorded as disbursed	USD 70 m	76%	25%	88%
		Aid scheduled for disbursement	USD 92 m			
8	Aid is untied	Untied aid	USD 147 m	30%	10%	More than 30%
		Total bilateral aid	USD 484 m			
9	Use of common arrangements or procedures	Programme-based approaches	USD 39 m	14%	14%	66%
		Total aid disbursed	USD 287 m			
10a	Joint missions	Number of joint missions	5	8%	8%	40%
		Total number of missions	66			
10b	Joint country analytical work	Number of joint analyses	3	12%	12%	66%
		Total number of country analyses	25			

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.25 Sweden

Information in the table below covers data reported in 24 countries out of 34 and reflects 59% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 216 m USD 444 m	49%	35%	85%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 72 m USD 111 m	64%	58%	Target of 50% achieved
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 209 m USD 444 m	47%	40%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 214 m USD 444 m	48%	42%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	36 24	36	1.5	12
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 254 m USD 471 m	54%	48%	77%
8 Aid is untied	Untied aid Total bilateral aid	USD 814 m USD 814 m	100%	100%	Target achieved
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 287 m USD 605 m	47%	38%	66%
10a Joint missions	Number of joint missions Total number of missions	65 203	32%	32%	40%
10b Joint country analytical work	Number of joint analyses Total number of country analyses	38 111	34%	34%	66%

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.26 Switzerland

Information in the table below covers data reported in 21 countries out of 34 and reflects 44% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 66 m USD 120 m	52%	43%	85%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 19 m USD 94 m	20%	28%	50%
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 59 m USD 126 m	47%	56%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 66 m USD 126 m	52%	64%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	57 21	57	2.7	19
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 78 m USD 136 m	58%	42%	79%
8 Aid is untied	Untied aid Total bilateral aid	USD 228 m USD 237 m	96%	93%	More than 96%
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 60 m USD 230 m	26%	18%	66%
10a Joint missions	Number of joint missions Total number of missions	39 115	34%	34%	50%
10b Joint country analytical work	Number of joint analyses Total number of country analyses	25 42	60%	60%	66%

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.27 United Kingdom

Information in the table below covers data reported in 23 countries out of 34 and reflects 50% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 921 m USD 1 102 m	84%	45%	92%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 153 m USD 250 m	61%	52%	Target of 50% achieved
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 825 m USD 1 102 m	75%	53%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 839 m USD 1 102 m	76%	51%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	41 23	41	1.8	14
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 988 m USD 1 094 m	90%	48%	95%
8 Aid is untied	Untied aid Total bilateral aid	USD 2 356 m USD 2 356 m	100%	100%	Target achieved
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 901 m USD 1 523 m	59%	50%	66%
10a Joint missions	Number of joint missions Total number of missions	156 354	44%	44%	Target of 40% achieved
10b Joint country analytical work	Number of joint analyses Total number of country analyses	73 106	69%	69%	Target of 66% achieved

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.28 United Nations

Information in the table below covers data reported in 34 countries out of 34 and reflects 53% of country programmed aid in 2005.

Indicators		Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3	Aid flows are aligned on national priorities	Aid for government sector in budget	USD 411 m	30%	34%	85%
		Aid disbursed for government sector	USD 1 148 m			
4	Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation	USD 280 m	44%	53%	50%
		Technical co-operation	USD 634 m			
5a	Use of country public financial management systems	Use of PFM systems	USD 205 m	18%	15%	Not applicable
		Aid disbursed for government sector	USD 1 148 m			
5b	Use of country procurement systems	Use of procurement systems	USD 86 m	8%	9%	Not applicable
		Aid disbursed for government sector	USD 1 148 m			
6	Avoid parallel implementation structures	Number of parallel PIUs	315	315	9.3	105
		Number of countries	34			
7	Aid is more predictable	Aid recorded as disbursed	USD 392 m	32%	18%	66%
		Aid scheduled for disbursement	USD 1 227 m			
8	Aid is untied	Untied aid	--	--	--	--
		Total bilateral aid	--			
9	Use of common arrangements or procedures	Programme-based approaches	USD 472 m	29%	46%	66%
		Total aid disbursed	USD 1 623 m			
10a	Joint missions	Number of joint missions	866	30%	30%	40%
		Total number of missions	2 876			
10b	Joint country analytical work	Number of joint analyses	595	63%	63%	66%
		Total number of country analyses	945			

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.29 United States

Information in the table below covers data reported in 29 countries out of 34 and reflects 20% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 1 328 m USD 1 199 m	90%	30%	95%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 610 m USD 1 303 m	47%	33%	50%
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 120 m USD 1 199 m	10%	15%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 145 m USD 1 199 m	12%	11%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	208 29	208	7.2	69
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 713 m USD 1 573 m	45%	26%	73%
8 Aid is untied	Untied aid Total bilateral aid	USD 186 m USD 2 612 m	7%	17%	More than 7%
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 798 m USD 2 835 m	28%	16%	66%
10a Joint missions	Number of joint missions Total number of missions	96 347	28%	28%	40%
10b Joint country analytical work	Number of joint analyses Total number of country analyses	95 243	39%	39%	66%

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

TABLE C.30 World Bank

Information in the table below covers data reported in 34 countries out of 34 and reflects 53% of country programmed aid in 2005.

Indicators	Definitions		2005 Baseline ratio ^a	Average country ratio ^b	2010 Targets
3 Aid flows are aligned on national priorities	Aid for government sector in budget Aid disbursed for government sector	USD 5 012 m USD 5 307 m	94%	62%	97%
4 Strengthen capacity by co-ordinated support	Co-ordinated technical co-operation Technical co-operation	USD 231 m USD 404 m	57%	51%	Target of 50% achieved
5a Use of country public financial management systems	Use of PFM systems Aid disbursed for government sector	USD 2 215 m USD 5 307 m	42%	35%	Not applicable
5b Use of country procurement systems	Use of procurement systems Aid disbursed for government sector	USD 2 146 m USD 5 307 m	40%	30%	Not applicable
6 Avoid parallel implementation structures	Number of parallel PIUs Number of countries	223 32	223	7.0	74
7 Aid is more predictable	Aid recorded as disbursed Aid scheduled for disbursement	USD 4 150 m USD 6 061 m	68%	63%	84%
8 Aid is untied	Untied aid Total bilateral aid	-- --	--	--	--
9 Use of common arrangements or procedures	Programme-based approaches Total aid disbursed	USD 2 997 m USD 5 228 m	57%	44%	66%
10a Joint missions	Number of joint missions Total number of missions	437 2 058	21%	21%	40%
10b Joint country analytical work	Number of joint analyses Total number of country analyses	91 187	49%	49%	66%

^a The baseline ratio is the ratio of the aggregate values of the numerator divided by the aggregate values of the denominator. This ratio is therefore weighted: each country does not weigh the same – countries where there are more activities weigh more than countries with less activity.

^b The average country ratio is the average of the ratios across all countries where the donor has reported activities. It is an unweighted average: each country weighs the same.

D SURVEY QUESTIONNAIRES

TWO QUESTIONNAIRES WERE USED to collect data at country level and stimulate dialogue on aid effectiveness for the 2006 survey. The donor questionnaire was to be completed by all donors operating in the country. The government questionnaire was to be filled in by government authorities. Once completed the results of the questionnaires were consolidated into various tables which were validated collectively. Both the donor and the government questionnaire are reproduced below, edited to refer only to the indicators obtained through the survey and material included in this report.

DONOR QUESTIONNAIRE

ABOUT THIS QUESTIONNAIRE

This questionnaire is to be completed by all donor agencies providing official development assistance (ODA) directly to the country receiving aid. Each donor should complete a single questionnaire. It should be noted that in cases where a donor provides funds through another donor (bilateral or multi-lateral), the latter is responsible for reporting in this questionnaire. Once the questionnaire has been completed it should be communicated to the **National Co-ordinator** for the consolidation of results at country level.

DONOR & COUNTRY INFORMATION

- Country: _____
- Name of donor: _____

INDICATOR 3: Aid flows are aligned on national priorities

- How much ODA (excluding debt reorganisation) did you disburse at country level in FY 2005?

Q^d1. Total ODA disbursed (USD): _____

Q^d2. How much of this was for the government sector (USD): _____

INDICATOR 4: Strengthen capacity by co-ordinated support

- How much technical co-operation did you provide in FY 2005?

Q^d3. Total technical co-operation (USD): _____

- How much technical co-operation did you provide through co-ordinated programmes in support of capacity development in FY 2005? (*A full list of co-ordinated programmes is to be established by the National Co-ordinator.*)

Q^d4. Co-ordinated technical co-operation (USD): _____

INDICATOR 5a: Use of country public financial management systems

- How much ODA disbursed for the government sector in FY 2005 used...

Q^d5. ...National budget execution procedures (USD)? _____

Q^d6. ...National financial reporting procedures (USD)? _____

Q^d7. ...National auditing procedures (USD)? _____

Q^d8. ...All three national procedures as defined above (USD)? _____

INDICATOR 5b: Use of country procurement systems

- How much ODA disbursed for the government sector in FY 2005 used national procurement systems? _____

Q^d9. Use of national procurement systems (USD): _____

INDICATOR 6: Avoiding parallel implementation structures

- How many parallel project implementation units did you make use of in 2005?

(An illustrative (or full) list of parallel PIUs might be established by the National Co-ordinator in order to guide donors' responses and improve consistency between donors.)

Q^d10. Number of parallel PIUs: _____

¹ UN agencies are encouraged to report both individually and collectively in completing the Donor Questionnaire.

INDICATOR 7: Aid is more predictable

- How much total ODA for the government sector did you schedule for disbursement in FY 2005?

Q^d11. Total ODA for the government sector (USD): _____

Q^d12. How much of this was direct budget support (USD): _____

INDICATOR 9: Use of common arrangements or procedures

- How much ODA did you disburse in support of initiatives adopting programme-based approaches in FY 2005? *Please provide information for the following components of PBAs.*

(A full list of other forms of programme assistance is to be established by the National Co-ordinator):

Q^d13. Direct budget support (USD): _____

Q^d14. Other forms of assistance (USD): _____

INDICATOR 10a: Joint missions

- How many donor missions to the field were undertaken in FY 2005?

Q^d15. Number of missions: _____

Q^d16. How many of these were co-ordinated: _____

INDICATOR 10b: Joint country analytical work

- How many country analytical works did you undertake in FY 2005?

Q^d17. Number of works: _____

Q^d18. How many of these were co-ordinated: _____

INDICATOR 12: Mutual accountability

This indicator is to be established in the Country Worksheet.

GOVERNMENT QUESTIONNAIRE

ABOUT THIS QUESTIONNAIRE

This questionnaire is to be completed by government authorities in the country receiving aid. Once the questionnaire has been completed it should be communicated to the **National Co-ordinator** for consolidation of results at country level.

COUNTRY INFORMATION

■ Country: _____

INDICATOR 3: Aid flows are aligned on national priorities

■ How much estimated ODA was recorded in the 2005 annual budget as revenue or grants?

Q#1. Total ODA recorded (USD): _____

INDICATOR 7: Aid is more predictable

■ How much total ODA for the government sector was actually recorded in your accounting systems in FY 2005?

Q#2. Total ODA recorded for the government sector (USD): _____

Q#3. How much of this was direct budget support (USD): _____

In addition to answering these questions, the National Co-ordinator is asked to draw up three lists to assist with obtaining consistent information for Indicators 4, 6 and 9, as follows:

INDICATOR 4

A full list of co-ordinated capacity development programmes that support their national development strategies.

INDICATOR 6

An illustrative (or full) list of parallel PIUs might be established to guide donors' responses and improve consistency between donors.

INDICATOR 9

A full list of programmes that qualify against the criteria for programme-based approaches.

E GLOSSARY OF KEY TERMS

THE FOLLOWING GLOSSARY PROVIDES THE DEFINITIONS FOR THE KEY TERMS USED IN THE DONOR AND GOVERNMENT QUESTIONNAIRES (SEE APPENDIX D).

Key term	Definition & guidance
Donor	A donor is an official agency — including state and local governments — that provides official development assistance. Non-governmental organisations (NGO) and private companies do not qualify as donors under this definition.
ODA	Grants or loans to countries and territories on the DAC List of ODA Recipients (developing countries) which are: (a) undertaken by the official sector; (b) with promotion of economic development and welfare as the main objective; (c) at concessional financial terms [if a loan, having a grant element of at least 25%]. In addition to financial flows, technical co-operation is included in aid. Grants, loans and credits for military purposes are excluded. Transfer payments to private individuals (<i>e.g.</i> pensions, reparations or insurance payouts) are in general not counted.
Transactions not to be recorded in this survey	<p>The following transactions are excluded from the scope of this survey and should not be recorded:</p> <ul style="list-style-type: none"> ■ Transactions made to beneficiaries that are not based in the country receiving ODA or to regional organisations. ■ Debt reorganisation/restructuring¹ ■ Emergency and relief assistance²
FY 2005	FY 2005 is the fiscal year of the country receiving ODA. Both the donor and the partner government must report on the same fiscal year basis. If fiscal year 2005 is not yet complete at the time of undertaking this survey the respondent should use fiscal year 2004 data and clearly indicate the time period used in the Country Worksheet.
Disbursements	A disbursement is the placement of resources at the disposal of a recipient country or agency. Disbursements record the actual international transfer of financial resources, or of goods or services valued at the cost of the donor. Resources provided in kind should only be included when the value of the resources have been monetised in an agreement or in a document communicated to government. In order to avoid double counting in cases where one donor disburses ODA funds on behalf of another, it is the donor that makes the final disbursement to the government that should report on these funds.

Key term	Definition & guidance
Government sector	Administrations (ministries, departments, agencies or municipalities) authorised to receive revenue or undertake expenditures on behalf of central government.
Disbursements for the government sector	This category includes the disbursement of ODA in the context of an agreement with the government sector (see definition above), including works, goods or services delegated or subcontracted by government to other entities (<i>e.g.</i> NGOs, private companies).
Annual budget	Is the annual budget as it was originally approved by the legislature. In order to support discipline and credibility of the budget preparation process, subsequent revisions to the original annual budget — even when approved by the legislature — should NOT be recorded under question Q ^{§1} . This is because it is the credibility of the original, approved budget that is important to measure and because revisions to the annual budget in many cases are retroactive.
ODA recorded in annual budget	This should include all ODA recorded in the annual budget as revenue or grants.
Exchange rates	ODA should be reported in US dollars.
Capacity development	<p>Different organisations use different definitions for capacity development. According to the OECD-DAC Network on Governance, capacity development is the process whereby people, organisations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time. Recent research (OECD 2005) shows that capacity development is more likely to be effective when:</p> <ul style="list-style-type: none"> ■ Capacity development is treated as a goal in its own right and that increased efforts are made to identify the objectives it seeks to achieve (“Capacity development for what?”). ■ Support for capacity development addresses three dimensions: human capacity, organisational capacity and broader institutional capacity. ■ Capacity development is country owned rather than donor driven.

Key term**Definition & guidance****Technical co-operation**

Technical co-operation (also referred to as technical assistance) is the provision of know-how in the form of personnel, training, research and associated costs. It comprises donor-financed:

- Activities that augment the level of knowledge, skills, technical know-how or productive aptitudes of people in developing countries; and
- Services such as consultancies, technical support or the provision of know-how that contribute to the execution of a capital project.

Technical co-operation includes both free-standing technical co-operation and technical co-operation that is embedded in investment programmes (or included in programme-based approaches). In order to report against this question donors are invited to review their portfolio of projects and programmes and estimate the share of technical co-operation.

**Coordinated
technical co-operation**

Donors should only record technical co-operation (free-standing and embedded technical co-operation) provided in the context of co-ordinated programmes to strengthen capacity development. To this end, the National Co-ordinator should establish, in consultation with donors, a list of co-ordinated programmes that meet all of the following criteria:

- Capacity development programmes support partners' national development strategies.
- Partner country exercises effective leadership over the capacity development programme supported by donors. This implies clearly communicated objectives from senior country officials.
- Donors' integrate their support within country-led programmes to strengthen capacity development.
- Where more than one donor is involved, arrangements for co-ordinating donor contributions are in place. This includes, for example, arrangements for pooling technical assistance (see example below).

Only technical co-operation provided in programmes included in the above list should be recorded under question Q^{d4}.

**Use of national budget
execution procedures (Q^{d5})**

Donors use national budget execution procedures when the funds they provide are managed according to the national budgeting procedures as they were established in the general legislation and implemented by government. This means that programmes supported by donors are subject to normal country budgetary execution procedures namely procedures for authorisation, approval and payment.

Key term	Definition & guidance
Use of national financial reporting procedures (Q ^{d6})	<p>Legislative frameworks normally provide for specific types of financial reports to be produced as well as for the periodicity of such reporting. The use of national financial reporting means that donors do not make additional requirements on governments for financial reporting. In particular they do NOT require:</p> <ul style="list-style-type: none"> ■ The production of additional financial reports. ■ Periodicities for reporting that are different from government's normal reporting cycle. ■ Formats for reporting that do not use government's existing chart of accounts.
Use of national auditing procedures (Q ^{d7})	<p>Donors rely on the audit opinions, issued by the country's supreme audit institution, on the government's normal financial reports/statements as defined above. The use of national auditing procedures means that donors do not make additional requirements on governments for auditing.</p>
All three national procedures (Q ^{d8})	<p>Disbursements of ODA for the government sector that use all three components of a country's national public financial management procedures, <i>i.e.</i>: (i) national budget execution procedures; (ii) national financial reporting procedures; and (iii) national auditing procedures.</p>
Use of national procurement procedures	<p>Donors use national procurement procedures when the funds they provide for the implementation of projects and programmes are managed according to the national procurement procedures as they were established in the general legislation and implemented by government. The use of national procurement procedures means that donors do not make additional, or special, requirements on governments for the procurement of works, goods and services. (Where weaknesses in national procurement systems have been identified, donors may work with partner countries in order to improve the efficiency, economy and transparency of their implementation).</p>

¹ Debt reorganisation (also restructuring): Any action officially agreed between creditor and debtor that alters the terms previously established for repayment. This may include forgiveness (extinction of the loan), or rescheduling which can be implemented either by revising the repayment schedule or extending a new refinancing loan.

² Emergency aid: An "emergency" is an urgent situation created by an abnormal event which a government cannot meet out of its own resources and which results in human suffering and/or loss of crops or livestock. Such an emergency can result from i) sudden natural or man-made disasters, including wars or severe civil unrest; or ii) food scarcity conditions arising from crop failure owing to drought, pests and diseases. This item also includes support for disaster preparedness.