

DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE**Working Party on Aid Effectiveness and Donor Practices****JOINT VENTURE ON MONITORING THE PARIS DECLARATION****Questionnaire & Guidance for monitoring the Paris Declaration on Aid Effectiveness.**

This document is presented to the Working Party on Aid Effectiveness for COMMENTS by 14 April 2006. It was elaborated by the Joint Venture on Monitoring the Paris Declaration with important contributions from the Joint Venture on Public Financial Management and the Joint Venture on Procurement. It has been revised in the light of consultative missions in South Africa (20-24 February) and Ghana (27 February - 3 March).

The final version of this document will be released on 21 April 2006 for approval on a NO OBJECTION BASIS by the 28 April; it will be informed by comments received from the Working Party and consultative missions in Uganda (3-7 April), Senegal (10-15 April) and Nicaragua (18-21 April). The 2006 Baseline Survey on Monitoring the Paris Declaration will be officially launched on 2 May 2006.

This draft document is only available in a PDF format and can be downloaded on the OECD Website:

www.oecd.org/dac/effectiveness/monitoring

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1.- Explanatory Note

Monitoring the Paris Declaration on Aid Effectiveness



This document can be downloaded at:
www.oecd.org/dac/effectiveness/monitoring

About this document

■ **This Explanatory Note** provides background information on the Survey on Progress in implementing the Paris Declaration on Aid Effectiveness and the questionnaires used in the context of this survey. It also provides guidance on how the questionnaire might be managed at country level. This document is part of a set of documents that include:

Doc. 1: Explanatory Note (this document)

- Doc. 2: Donor Questionnaire
- Doc. 3: Government Questionnaire
- Doc. 4: Country worksheet.
- Doc. 5: Definitions & Guidance.

Purpose of the Survey

■ **Partner countries and donors decided at the Paris High-Level Forum on Aid Effectiveness** to monitor progress against 12 indicators by means of a Survey¹. This Survey is the first of three rounds of monitoring (2006, 2008 & 2010) and will lead to the establishment of a baseline against which targets for 2010.

The main purpose of these Surveys is to track and encourage progress in implementing the Paris Declaration at country level. In doing so, the Surveys should build, as far as possible, on existing local processes with a view to:

- Supporting broad-based dialogue at country level on how to make aid more effective.
- Building a common understanding on how more effective aid contributes to achieving development results.
- Providing an accurate description of how aid is managed.

Each indicator is designed to focus discussion on a particular set of issues, rather than simply to collect data. **To this end, partners and donors are invited to provide for each indicator in the Country Worksheet a qualitative assessment reflecting discussions at country level.** Definitions and guidance are provided in Document 5 to facilitate dialogue and enable consistent aggregation of data across countries. It is important that partner authorities and donors use their best judgment in refining these definitions so as to align them with local practices and apply them consistently across time.

Tracking and encouraging progress

■ **Actions not words** — More so than previous agreements, the Paris Declaration goes beyond a statement of general principles and lays down a practical, action-oriented roadmap to improve the quality of aid and its impact on development. The partnership commitments included in the Paris Declaration are organised around five key principles:

Ownership – Developing countries exercise effective leadership over their development policies, strategies and co-ordinate development efforts. Donors' are responsible for supporting and enabling developing countries ownership by respecting their policies and helping strengthen their capacity to implement them (paragraphs 14 and 15).

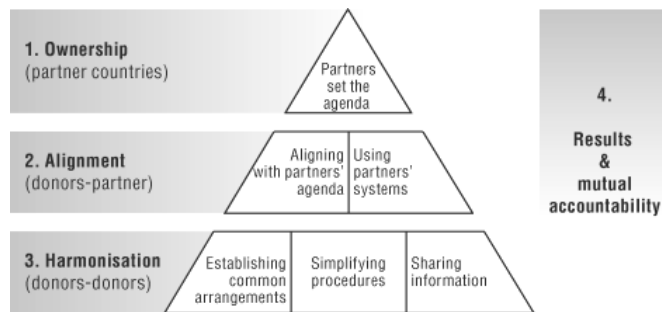
¹ See important footnote on p. 4 (appendix).

Alignment – Donors base their overall support on partner countries’ national development strategies, institutions and procedures. For example, this means that donors will draw conditions, wherever possible, from a developing country government’s development strategy, instead of imposing multiple conditions based on other agendas (para. 16).

Harmonisation – Donors aim to be more harmonised, collectively effective and less burdensome especially on those countries, such as fragile states, that have weak administrative capacities. This means, for instance, establishing common arrangements at country level for planning, funding and implementing development programmes (para. 32).

Managing for results – Both donors and partner countries manage resources and improve decision-making for results. Donors should fully support developing countries efforts in implementing performance assessment frameworks that measure progress against key elements of national development strategies (para. 43-46).

Mutual accountability – Donors and developing countries pledge that they will hold each other mutually accountable for development results as outlined in the aid effectiveness pyramid below.



■ **Targets for the year 2010 have been set for eleven of these indicators** — These targets, which commit both donors and partner countries, are designed to encourage progress at the global level among the countries and agencies that have agreed to the Paris Declaration (see appendix). They are not intended to prejudice or substitute targets which individual donors or countries may wish to set, but rather provide a flexible benchmark against which countries and organisations can measure their performance. Progress towards these targets will also be reviewed in 2008.

Managing the survey

■ **Informing dialogue & enhancing accountabilities** — This survey will make the biggest contribution to improving aid effectiveness when it informs country level dialogue between donors and government by making best use of local mechanisms such as Consultative Groups and Round Tables.

■ **Role of the National Coordinator** — The survey is managed at country-level under the responsibility of a national coordinator appointed by government. The National Coordinator in exercising its responsibilities might, where appropriate, be supported by donors. The national coordinator will assume the following responsibilities:

- Ensure that government, donors and key stakeholders are appropriately informed and fully take part in the dialogue on aid effectiveness.
- Convene meetings of representatives from donors and government in order to complete the Survey.
- Establish a list coordinated programmes to support capacity development (Indicator 4) and a list of programme-based approaches (Indicator 9). Additional information is provided in Document 5.
- Support donors and partner countries in completing the survey.
- Control quality and consistency of responses provided.
- Consolidate the Donor Questionnaire and the Government Questionnaire into the Country worksheet.
- Communicate responses to the OECD Secretariat for analysis by **15 August 2006**.

■ **Key steps:**

Step 1 — In January 2006, a letter was issued to each of the heads of delegations of the countries and organisations represented at the Paris High-Level Forum to bring them up to date on progress on monitoring the Paris Declaration. In this letter, partner countries were invited to confirm their interest in taking part in the 2006 Survey and to appoint a National Coordinator.

Step 2 — Between February and April 2006, a draft Survey is tested in six countries: South Africa, Ghana, Uganda, Cambodia, Senegal & Nicaragua. Results of the field testing inform final version of the Survey.

Step 3 — In **May 2006** the Survey is launched in all of the countries who have confirmed their interest in taking part. The Survey material (i.e. Documents 1 to 5) is made available to the national coordinators and donors. Each donor takes the responsibility for forwarding the documents to the country offices in all of the countries where the Survey is undertaken.

Step 4 — National Coordinators convene a meeting with government representatives, donors and key stakeholders to reach agreement on the process for managing the Survey at country level. In particular an agreement is reached on a list coordinated programmes to support capacity development (Indicator 4) and a list of programme-based approaches (Indicator 9). Additional information is provided in Document 5: Definitions & Guidance.

Step 5 — The Government Questionnaire is completed by government representatives; the Donor Questionnaire is completed by all donors. Once both questionnaires are completed they are submitted to the national coordinator for consolidation into the country worksheet (Document 4).

Step 6 — The National Coordinator shares the completed Country worksheet to government representatives, donors and key stakeholders and convenes a meeting for final validation.

Step 7 — The National Coordinator will convene a meeting with all donors and government representatives to examine and discuss the information with a view to validating the country worksheet and reaching a common understanding on its content. Where it was not possible to reach agreement on some indicators the comment box should be used to record the different views expressed.

Step 8 — The national coordinator will submit the Country worksheet and narrative comments to the OECD Secretariat by the **15 August 2006** for analysis and aggregation.

Step 9 — By **December 2006**, the OECD Secretariat will make available the final report presenting results and key findings of the 2006 Survey on Monitoring the Paris Declaration.

Quantitative indicators and qualitative indicators.

Twelve Indicators of Progress were agreed at Paris (see appendix). A distinction is to be made between those indicators established through this Survey and the indicators that are established through desk reviews.

	Indicators	Survey	Desk review
1	Ownership – Operational PRS		World Bank
2a	Quality of PFM systems		World Bank
2b	Quality Procurement systems		Working Party
3	Aid reported on budget	■	
4	Coordinated capacity development	■	
5a	Use of country PFM systems	■	
5b	Use of country procurement system	■	
6	Parallel PIUs	■	
7	In-year predictability	■	
8	Untied aid		OECD-DAC
9	Use of programme-based approaches	■	
10	Joint missions & country analytic work	■	
11	Sound performance assessment framework		World Bank
12	Reviews of mutual accountability	■	

Appendix: Agreed Targets for the 12 Indicators of Progress

INDICATORS		TARGETS FOR 2010	
1	Partners have operational development strategies	At least 75% of partner countries have operational development strategies.	
2a	Reliable public financial management (PFM) systems	Half of partner countries move up at least one measure (i.e., 0.5 points) on the PFM/ CPIA (Country Policy and Institutional Assessment) scale of performance.	
2b	Reliable procurement systems	One-third of partner countries move up at least one measure (i.e., from D to C, C to B or B to A) on the four-point scale used to assess performance for this indicator.	
3	Aid flows are aligned on national priorities	Halve the gap — halve the proportion of aid flows to government sector not reported on government's budget(s) (with at least 85% reported on budget).	
4	Strengthen capacity by co-ordinated support	50% of technical co-operation flows are implemented through co-ordinated programmes consistent with national development strategies.	
5a	Use of country public financial management systems	For partner countries with a score of 5 or above on the PFM/CPIA scale of performance (see Indicator 2a).	All donors use partner countries' PFM systems; and Reduce the gap by two-thirds — A two-thirds reduction in the <i>% of aid</i> to the public sector not using partner countries' PFM systems.
		For partner countries with a score between 3.5 and 4.5 on the PFM/CPIA scale of performance (see Indicator 2a).	90% of donors use partner countries' PFM systems; and Reduce the gap by one-third — A one-third reduction in the <i>% of aid</i> to the public sector not using partner countries' PFM systems.
5b	Use of country procurement systems	For partner countries with a score of 'A' on the Procurement scale of performance (see Indicator 2b).	All donors use partner countries' procurement systems; and Reduce the gap by two-thirds — A two-thirds reduction in the <i>% of aid</i> to the public sector not using partner countries' procurement systems.
		For partner countries with a score of 'B' on the Procurement scale of performance (see Indicator 2b).	90% of donors use partner countries' procurement systems; and Reduce the gap by one-third — A one-third reduction in the <i>% of aid</i> to the public sector not using partner countries' procurement systems.
6	Avoiding parallel PIUs	Reduce by two-thirds the stock of parallel project implementation units (PIUs).	
7	Aid is more predictable	Halve the gap — halve the proportion of aid not disbursed within the fiscal year for which it was scheduled.	
8	Aid is untied	Continued progress over time.	
9	Use of common arrangements or procedures	66% of aid flows are provided in the context of programme-based approaches.	
10a	Missions to the field	40% of donor missions to the field are joint.	
10b	Country analytic work	66% of country analytic work is joint.	
11	Results-oriented frameworks	Reduce the gap by one-third — Reduce the proportion of countries without transparent and monitorable performance assessment frameworks by one-third.	
12	Mutual accountability	All partner countries have mutual assessment reviews in place.	

Footnote -- 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 Mr. Richard Manning, Chair of the OECD Development Assistance Committee (DAC).

2.- Donor Questionnaire

Monitoring the Paris Declaration on Aid Effectiveness



This document can be downloaded at:
www.oecd.org/dac/effectiveness/monitoring

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. Once the questionnaire has been completed it should be communicated to the **national coordinator** for the consolidation of results at country level. This questionnaire is part of a suite of documents that includes:

Doc. 1: Explanatory Note.

Doc. 2: Donor Questionnaire (this document)

Doc. 3: Government Questionnaire

Doc. 4: Country Worksheet.

Doc. 5: Definitions & Guidance.

Definitions of key terms and additional guidance for all of the Indicators are provided in Document 5. This also includes a table of exchange rates.

Donor agency

■ Name of donor: _____

Indicators 1 & 2

Both of these indicators are established by the means of desk review. For additional information please turn to the Explanatory Note (Document 1).

Indicator 3: Aid Flows are Aligned on National Priorities

■ How much ODA did you disburse in FY 2005? *Please break-down according to the following categories:*

Q^d1. The government sector (USD): _____

Q^d2. All other sectors (USD): _____

Indicator 4: Strengthen Capacity by Co-ordinated Support

■ How much technical cooperation did you provide in FY 2005?

Q^d3. (USD): _____

■ How much technical cooperation did you provide through co-ordinated programmes in support of capacity development in FY 2005?

Q^d4. (USD): _____

Indicator 5a: Use of Country Public Financial Management Systems

■ How much ODA disbursed to the government sector in FY 2005 used...

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

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

Q^d7. ...National financial auditing procedures (USD): _____

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

Indicator 5b: Use of Country Procurement Systems

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

Q^d9. (USD): _____

Indicator 6: Avoiding Parallel Implementation Structures

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

Q^d10. Number of parallel PIUs: _____

Indicator 7: Aid is More Predictable

- How much ODA for the government sector did you schedule for disbursement in FY 2005? *Please break-down according to the following categories:*

Q^d11. Direct budget support (USD): _____

Q^d12. All other aid modalities (USD): _____

Indicator 8: Aid is increasingly untied

This indicator is established by the means of desk a review. Additional information provided in Explanatory Note.

Indicator 9: Use of common arrangements or procedures

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

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

Q^d14. Other forms of programme 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 coordinated: _____

Indicator 10b: Joint country analytic work

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

Q^d17. Number of works: _____

Q^d18. How many of these were coordinated: _____

Indicator 11: Performance measurement frameworks

This indicator is established by the means of a desk review. Additional information provided in Explanatory Note.

Indicator 12: Mutual Accountability

This indicator is to be established in the national worksheet.

3.- Government Questionnaire

Monitoring the Paris Declaration on Aid Effectiveness



This document can be downloaded at:
www.oecd.org/dac/effectiveness/monitoring

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 Coordinator** for consolidation of results at country level. This questionnaire is part of a set of documents that includes:

- Doc. 1: Explanatory Note
- Doc. 2: Donor Questionnaire
- Doc. 3: Government Questionnaire** (this document)
- Doc. 4: Country Worksheet.
- Doc. 5: Definitions and Guidance.

Definitions of key terms and additional guidance for all of the Indicators are provided in Document 5.

Indicator 3: Aid Flows are aligned on National Priorities

- How much estimated ODA was reported in the 2005 annual budget as revenue or grants?¹

Q⁹¹. (USD): _____

Indicator 7: Aid is More Predictable

- How much ODA for the government sector was actually received in FY 2005? *Please break-down according to the following categories:*

Q⁹². Direct budget support (USD): _____

Q⁹³. All other aid modalities (USD): _____

To complete these questions please use pro forma table provided in next page.

¹ It is very important that this question be broken down on a donor by donor basis. See Questionnaire for government and Country worksheet for more information.

Table: **Pro forma template for responding to Q⁹1, Q⁹2 & Q⁹3**

Table: Title of question (e.g. ODA recorded in annual budget)			
Name of Donor	ODA (US dollars)	Name of Donor	ODA (US dollars)
Multilateral donors		Global initiatives	
United Nations (all UN ODA)		GAFTM	
World Bank		GAVI	
African Development Bank		EFA-FTI	
Asian Development Bank		Global Environment Facility	
Inter-American Development Bank		Etc.	
Etc.			
Bilateral donors		Other donors	
Australia			
Austria			
Belgium			
Etc.			

Total	
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4.- Country Worksheet

Monitoring the Paris Declaration on Aid Effectiveness



This document can be downloaded at:
www.oecd.org/dac/effectiveness/monitoring

About this worksheet

This worksheet is intended to provide the basis for a national dialogue on aid effectiveness and implementation of the Paris Declaration at country level (See Explanatory Note for more information). It consolidates information provided by all the donors in the Donor Questionnaire (Document 2) and in the Government Questionnaire (Document 3).

Once this worksheet has been completed, the **National Coordinator** will convene a meeting with all donors and government representatives to examine and discuss the information with a view to validating the country worksheet and reaching a common understanding on its content. For each of the indicators stakeholders have the option of providing a qualitative narrative in a **comment box**. Where it was not possible to reach agreement on some indicators the comment box should be used to record the different views expressed.

Once the country worksheet has been completed and validated it should be communicated to the OECD Secretariat for aggregation and analysis by the **15 August 2006** at the latest. A final report presenting key findings will be made available by the OECD Secretariat by **December 2006**.

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This worksheet is part of a suite of documents that also includes:

- Doc. 1: Explanatory Note
- Doc. 2: Donor Questionnaire
- Doc. 3: Government Questionnaire
- Doc. 4: Country worksheet** (this document)
- Doc. 5: Definitions and Guidance.

Definitions of key terms and additional guidance for all of the Indicators are provided in Document 5 (Definitions and guidance).

Country information

- Name of country: _____
- Name of national coordinator: _____
- Date of submission to OECD Secretariat: _____

Indicators 1 & 2

Both of these indicators are established by the means of desk review. For additional information please turn to the Explanatory Note (Document 1).

Indicator 3: Aid Flows are Aligned on National Priorities

■ Please consolidate Table Q^{d1} and Table Q^{d2} from donor questionnaires; and Table Q^{g1} from Government questionnaire.

Table Q ^{d1} : ODA for the government sector			
Name of Donor	ODA (US dollars)	Name of Donor	ODA (US dollars)

Total Q^{d1}	
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Table Q ^d 2: ODA for other sectors			
Name of Donor	ODA (US dollars)	Name of Donor	ODA (US dollars)

Total Q^d2

Table Q ^g 1: ODA reported in annual budget			
Name of Donor	ODA (US dollars)	Name of Donor	ODA (US dollars)
Multilateral donors		Global initiatives	
United Nations (all UN ODA)		GAFTM	
World Bank		GAVI	
African Development Bank		EFA-FTI	
Asian Development Bank		Global Environment Facility	
Etc.		Etc.	
Bilateral donors		Other donors	
Australia			
Austria			
Belgium			
Etc.			

Total Q^g1

■ **Qualitative assessment** — Partner authorities and donors are invited to complement this indicator (and all other indicators) with a qualitative assessment in about 500-800 words. Where consensus between partners is not possible assessment should record diverging positions rather than to seek consensus at all costs.

Indicators 4 to 10¹

- Please consolidate tables for each of the indicators using the pro forma table included in the appendix. **Please provide a qualitative assessment for each of the indicators.**

A full scale country worksheet including tables for all of the indicators can be downloaded at: www.oecd.org/dac/effectiveness/monitoring.

Indicator 12

- Was a mutual assessment of progress in implementing agreed commitments conducted in your country? (Please tick appropriate box below)

Yes: No:

■ **Qualitative assessment** — If you have answered yes above please provide a brief description of the mutual assessment of progress in about 500-800 words. Where consensus between partners is not possible assessment should record diverging positions rather than to seek consensus at all costs.

Appendix: Pro forma table for consolidating Indicators

Table Q ^d X: [<i>Title of indicator</i>]			
Name of Donor	[Units]	Name of Donor	[Units]
Total Q^dX			

¹ With the exception of the qualitative indicators: Indicators 8 & 11.

5.- Definitions & Guidance

Monitoring the Paris Declaration on Aid Effectiveness



This document can be downloaded at:
www.oecd.org/dac/effectiveness/monitoring

About this document

This document provides definitions and additional guidance for [Donor Questionnaire](#) (Document 2) and the [Government Questionnaire](#) (Document 3). It does not include description of indicators collected through desk reviews (See Explanatory Note). This document is part of a set of documents that also include:

- Doc. 1: Explanatory Note
- Doc. 2: Donor Questionnaire
- Doc. 3: Government Questionnaire
- Doc. 4: Country Worksheet
- Doc. 5: Definitions and Guidance** (this document)

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Indicator 3: Aid flows are aligned on national priorities

Introduction

Comprehensive and transparent reporting on aid, and how it is used, is critical not only as a way of ensuring that donors align aid flows with national development priorities but also in order to achieve accountability for the use of development resources and results. Ensuring that Donor aid flows are properly reflected in the partner's national budget is a first step towards ensuring that aid flows are aligned with national priorities as reflected in the approved national budget.

This indicator measures the gap between what was disbursed by donors for the government sector and what was actually recorded in the annual budget by government. Achieving progress against this indicator will require efforts by donors and partner authorities. For donors, it means providing timely, transparent and comprehensive information on aid flows so that partner authorities can present comprehensive budget reports to their legislatures and citizens (PD-§49). For partner authorities, it means establishing credible annual budgets estimates that accurately reflect aid flows in agreement with its national budgetary procedures.

Guidance for narrative description — There are many reasons why there are gaps between what is disbursed and what is recorded in annual budgets. These include: lack of timely provision of information by donors, poor communication within government etc. In particular if any adjustments (e.g. discounting project aid) are made to the scheduled amounts of ODA, before incorporation into the budget, such adjustments should be explained. In order to provide a more accurate understanding of the situations donors and government are invited to provide a narrative description in support of this indicator.

Questions for all donors

■ How much ODA did you disburse in FY 2005?

Please break-down according to the following categories:

Q^d1. The government sector (USD): _____

Q^d2. All other sectors (USD)¹: _____

Questions for partner governments

■ How much estimated ODA was reported in the 2005 annual budget as revenue or grants?²

Q^g1. (USD): _____

Measurement of Indicator

$$\text{Indicator 3} = Q^g1 / Q^d1$$

¹ Q^d2 is collected for Indicator 9 and not Indicator 3.

² It is very important that this question be broken down on a donor by donor basis. See Questionnaire for government and Country worksheet for more information.

Key word	Definition & guidance
Donor	A donor is an official agency — including state and local governments —that is entitled to provide Official Development Assistance (OECD-DAC Statistical Directives para. 32). Non-governmental Organisations (NGO) and private companies do not qualify as donors under this definition.
ODA	<p>Official Development Assistance includes all transactions as defined in OECD-DAC Statistical Directives para. 32. This includes transactions that:</p> <ul style="list-style-type: none"> ▪ Are administered with the promotion of the economic development and welfare of developing countries as its main objective; and ▪ Are concessional in character and convey a grant element of at least 25%.
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. ▪ Debt reorganisation/restructuring (OECD-DAC Statistical Directives). ▪ Emergency and Relief Assistance (OECD-DAC Statistical Directives).
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.
Disbursements	A disbursement is the placement of resources at the disposal of a recipient country or agency (See OECD-DAC Statistical Directives para. 15-18). 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.
Government sector	Administrations (Ministry, Department or Agency) 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 (e.g. NGOs, private companies).
Disbursements for all other sectors	This includes total disbursements of ODA excluding disbursements for the government sector (as defined above) .
Annual budget	Is the annual budget as it was approved by parliament (or legislature).
ODA reported 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. A table of exchanges rates is provided in the appendices.

Indicator 4: Strengthen capacity by co-ordinated support

Introduction

Partner countries' capacity to plan, manage, implement and account for development results is critical for achieving development objectives, accelerating economic growth and providing better services to citizens. Meeting these objectives will require countries to complement reforms with effective capacity building programmes. Donor agencies support a wide range of capacity building programmes mainly in the public sector. Donors' collective efforts are less effective than they could be. One reason is that, all too often, capacity building is fragmented and does not fit well with countries' capacity development strategies. The Paris Declaration recognises that capacity development is the primary responsibility of partner countries not donors. In supporting countries' capacity development strategies donors' responsibility is to provide support in ways that build rather than undermine partners' sustainable capacity to strengthen capacity. One way of achieving this is through the provision of coordinated capacity development programmes that are consistent with national development strategies (PD-§22-24).

In order to measure this indicator partner authorities are required to establish in close consultation with donors a list of coordinated capacity development programmes that support their national development strategies. In establishing this list of programmes partner and donors will be guided by the definitions suggested below. In doing so, it is important that they use their best judgment in refining these definitions so as to align them with local practices.

Establishing a list of coordinated capacity development programmes provide partner authorities an opportunity to clearly signal *where* capacity development efforts are required, and *what kind of arrangements* best support their national development strategies.

Questions for all donors

■ How much technical cooperation did you provide in FY 2005?

Q^d3. (USD): _____

■ How much technical cooperation did you provide through co-ordinated programmes in support of capacity development in FY 2005?

Q^d4. (USD): _____

Questions for partner governments

Measurement of Indicator

$$\text{Indicator 4} = Q^d4 / Q^d3$$

Key word	Definition & Guidance
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 (OED 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.
Technical cooperation	<p>Technical cooperation (also referred to as technical assistance) is the provision of know-how in the form of personnel, training, research and associated costs. (OECD DAC Statistical Reporting Directives §§ 36-39). It comprises donor-financed:</p> <ul style="list-style-type: none"> ▪ 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.
Coordinated technical cooperation	<p>ODA provided to capacity development programmes included in the list of programmes established in each country by partner authorities (see introduction). This should include technical cooperation (as defined above) that meet the following criteria:</p> <ul style="list-style-type: none"> ▪ Capacity development programmes support partners’ national development strategies. ▪ Partner country exercises effective leadership over the capacity development programme supported by donors. This implies widely shared and clearly articulated objectives from senior government sources. ▪ Donors’ integrate their support within country-led programmes to strengthen capacity development. ▪ Where more than one donor is involved, arrangements for coordinating donor contributions are in place. This includes, for example, arrangements for pooling technical assistance (see example below).
<p><i>Example 1 of coordinated technical cooperation in Ethiopia</i></p>	<p>In 2001, the Government of Ethiopia launched a comprehensive National Capacity Building Programme and established a Ministry of Capacity Building to support the programme. In this connection, six core public sector reform and capacity building programmes which form the basis of the Ethiopian Public Sector Capacity Building Programme (PSCAP). Three key principles support this programme:</p> <ul style="list-style-type: none"> ▪ Simultaneous, nation-wide implementation of six sub programmes, in an holistic and integrated manner, sequenced in line with regional and local priorities. ▪ Alignment of donor support with Ethiopia’s public financial management system. ▪ Harmonisation of the fiduciary, M&E, procurement, and reporting requirements. <p>Harmonisation between donors and Government has been a principal feature of this programme. The design process has taken place within a common donor/government framework, with joint donor missions, shared and pooled resources, common documentation during concept development and several stages of programme design and appraisal. A number of common arrangements have been agreed, including a coordinated dialogue with Government, a common framework in planning, monitoring and evaluation systems, financial accounting and procurement procedures.</p> <p><i>Source: UK Department for International Development (DfID).</i></p>

Indicator 5(a)ⁱ: Use of country public financial management systems (percent of aid)

Introduction

Using a partner country's own institutions and systems, where these provide reasonable assurance that aid will be used for intended purposes, increases aid effectiveness by strengthening partners' sustainable capacity to develop, implement and account for its policies to its citizens and parliament (Paris Declaration para. 17)

This indicator focuses on the use of partners' public financial management systems (PFM) when funding is provided to the government sector. It measures the volume of aid (whereas Indicator 5aⁱⁱ measures the percentage of donors) that uses a partner country PFM system as a percent of total aid provided to the government sector. National systems for the management of funds are those established in the general legislation (and related regulations) of the country and implemented by the line management functions of the government.

Questions for all donors

■ 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)?

Questions for partner governments

Measurement of Indicator

$$\text{Indicator 5(a)}^i = [(Q^{d5} + Q^{d6} + Q^{d7}) / 3] / Q^{d1}{}^4$$

⁴ Q^{d1} is collected under Indicator 3 and measures total ODA disbursed.

Key word	Definition & additional guidance
Use of national budget execution procedures (Q ^d 5)	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. In order to report against this question donors are invited to review their portfolio of projects and programmes.
Use of national financial reporting procedures (Q ^d 6)	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: <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. In order to report against this question donors are invited to review their portfolio of projects and programmes.
Use of national auditing procedures (Q ^d 7)	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. In order to report against this question donors are invited to review their portfolio of projects and programmes.
All three national procedures (Q ^d 8)	This should include disbursements of ODA for the government sector that uses all three components of a country's national public financial management procedures including (i) national budget execution procedures; (ii) national financial reporting procedures and (iii) national auditing procedures. In order to report against this question donors are invited to review their portfolio of projects and programmes.
Example 1: National budget execution procedures in Tanzania	<p style="text-align: center;">Depositing cash funds for projects implemented by Ministries:</p> <p>(i) Donors will initially deposit funds in Account Number 13:99 which is at the Bank of Tanzania (this account is able to accept any currency).</p> <p>(ii) The donors will then notify the Treasury of the deposit made. This notification will be copied to the relevant ministry of the implementing agency and will indicate: (a) project account number; (b) project name; (c) any other relevant details.</p> <p>(iii) The notification will prompt the relevant Ministry to submit to the Treasury a TFN 358 Form duly filed. This form is a request to transfer funds from Account 13:99 to the relevant Ministry where the project is located. This form shall be submitted to the Budget Division of the Ministry of Finance (...)</p> <p>(iv) The Budget Division, after confirming with the Accountant General's department on the availability of funds, will issue a release warrant (...).</p> <p>(v) Upon receipt of the release warrant, Accountant General will cause a transfer of funds to be made from Account 13:99 to Account 17:88 (Exchequer Development Account) from where an Exchequer Issue Notification will be issued to the relevant Ministry. This action ensures that Development Partners flows are entered into the IFMS.</p> <p><i>Source: A Practical Guide to Using the Government of Tanzania Exchequer System (May 2005)</i></p>
Example 2: National budget execution procedures in Tanzania	<p style="text-align: center;">Direct Disbursements to the Project and 'In Kind' Assistance</p> <p>There are instances where donors disburse directly to the project or provide in-kind assistance (donor procurement, recruitment of consultants, project staff engaged at the donor office). [...] The Government is encouraging all donors to route their resources through the Exchequer as elaborated above. However, where direct disbursements occur, the procedure used to account for such transactions is as follows:</p> <p>(i) The donor disburses funds or provides goods or services directly to the project.</p> <p>(ii) The project then reports on the amounts, goods, services or equipment value received to the relevant MDA with relevant supporting evidence of the disbursements and purchases.</p> <p>(iii) The MDA raises a TFN 358 application form in the normal manner. However, since expenditure has in this case been already made, copies of payment vouchers and other supporting documents will be attached to the TFN 358 (...).</p> <p>(iv) The Budget Division, upon satisfying itself, will grant a release warrant to the ACGEN;</p> <p>(v) The ACGEN will now issue a Dummy Exchequer Issue Notification (for record purposes only since there is no actual cash outflow) and such issuance will be recorded in the IFMS. At this stage, the expenditure will now have been incorporated in the Government Accounts.</p> <p><i>Source: A Practical Guide to Using the Government of Tanzania Exchequer System (May 2005).</i></p>

**Indicator 5(aⁱⁱ): Use of country public financial management systems
(percent of donors)**

Introduction

Same as Indicator 5(aⁱ)

Questions for all donors

Indicator will be calculated on the basis of information provided under Indicator 5(aⁱ) above. No additional information is required here.

Questions for partner governments

Indicator will be calculated on the basis of information provided under Indicator 5(aⁱ) above. No additional information is required here.

Measurement of Indicator

Information collected for Indicator 5(aⁱ) will be presented as follows:

Donors' using all three country PFM systems	Percent of donors using all three partners' PFM systems
Less than [10%]*	A%
From [10%]* to [50%]*	B%
From [50%]* to [90%]*	C%
More than [90%]*	D%
Total	100%

*: Brackets to be adjusted once data from the Survey is available

Key word	Definition & additional guidance
	<p data-bbox="695 1024 927 1056">Same as Indicator 5(a)</p>

**Indicator 5(bⁱ): Use of country procurement systems
(percent of aid)**

Introduction

Using a partner country's own institutions and systems, where these provide reasonable assurance that aid will be used for intended purposes, increases aid effectiveness by strengthening partners' sustainable capacity to develop, implement and account for its policies to its citizens and parliament.

This indicator focuses on the use of national procurement systems when funding is provided to the government sector (another indicator looks at use of public financial management systems). It measures the volume of aid (whereas Indicator 5bⁱⁱ measures the percentage of donors) that uses national country procurement system as a percent of total aid provided to the government sector.

Questions for all donors

Questions for partner governments

■ How much ODA disbursed to the government sector in FY 2005 used national procurement systems?

Q^{d9}. (USD): _____

Measurement of Indicator

$$\text{Indicator 5(b}^i\text{)} = Q^{d9} / Q^{d1}{}^6$$

⁶ Q^{d1} id collected under Indicator 3 and measure total ODA disbursed.

Key word	Definition & additional guidance
Disbursements for the government sector	See Indicator 3 for definitions.
Use of national procurement procedures	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.

Indicator 5(bⁱⁱ): Use of country procurement systems
(percent of donors)

Introduction

Same as Indicator 5(bⁱ)

Questions for all donors

Questions for partner governments

Indicator will be calculated on the basis of information provided under Indicator 5(bⁱ) above. No additional information is required here.

Measurement of Indicator

Information collected for Indicator 5(bⁱ) will be presented as follows:

Donors' using country procurement systems	Percent of donors using partners' procurement systems
Less than [10%]*	A%
From [10%]* to [50%]*	B%
From [50%]* to [90%]*	C%
More than [90%]*	D%
Total	100%

*: Brackets to be adjusted once data from the Survey is available

Key word	Definition & additional guidance
	<p data-bbox="683 1010 922 1041">Same as Indicator 5(b)</p>

Indicator 6: Strengthen capacity by avoiding parallel implementation structures

Introduction

When providing development assistance in a country some donors establish Project Implementation Units — dedicated management units designed to support development projects or programmes. 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”.

The intent of this indicator is to see a progression toward strengthening local capacity for planning, implementation, and ongoing accountability to a country's citizens and parliament. This indicator measures progress through the reduction in parallel PIUs — those which are created outside the existing structures of national implementation agencies. There is strong evidence that parallel PIUs tend to undermine national capacity building efforts, distort salaries and generally confuse accountability for development.

This indicator measures the total number of parallel PIUs in a single country. It is expressed in absolute terms rather than a ratio. As a result, the number of parallel PIUs in a single country needs to be reported against nature and volume of development assistance in a given country.

Questions for all donors

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

Q^d10. Number of parallel PIUs: _____

Questions for partner governments

Measurement of Indicator

Indicator 6 = Q^d10

Key word	Definition & additional guidance
Project Implementation Unit (PIU)	<p>When providing development assistance in a country some donors establish Project Implementation Units (They are also commonly referred to as project management units, project management consultants, project management offices, project coordination offices etc.). These are dedicated management units designed to support the implementation of projects or programmes. A distinction should be made between a PIU and technical advice provided directly to national administrations. PIUs typically share the following key features:</p> <ul style="list-style-type: none"> ▪ PIUs are not executing agencies; they are usually required to perform subsidiary (rather than principal) tasks with regard to the implementation of a project or programme: monitoring and reporting on technical and/or financial progress, accounting, procurement of works, goods and services, drawing-up of terms of reference, contract supervision, detailed design or equipment specification. ▪ PIUs are often established at the request of a donor following the inception of a project or programme (See Example 1 below). ▪ The staff of PIUs vary considerably in size and composition. Staff size can vary from 1 to as many as 200 but most count less than 10 professional staff. Although a significant number of PIUs make use of government staff, most PIUs are externally recruited (e.g. long-term local consultants).
Parallel PIU	<p>A PIU is said to be parallel when they are created outside the structure of an existing institutional structures (and therefore are not government-integrated). Parallel PIUs typically share the following features:</p> <ul style="list-style-type: none"> ▪ Parallel PIUs are accountable to the external funding agencies rather than to the implementing Ministry Department Agency (MDA). Terms of reference for externally appointed staff are determined by the donor rather than by the MDA. ▪ Most of the professional staff of parallel PIUs is appointed by the donor rather than the implementing MDA.
Integrated PIU	<p>A fully integrated PIU is a desirable model from an institutional development perspective: it makes use of existing institutional structures. The implementing ministry where the PIU is located takes full responsibility and implements projects using the existing ministry structure, procedures, and staff. In some cases, the ministry may reassign some staff to carry out project activities by releasing them from other ministry functions. Such a PIU may be supported by limited technical assistance for specific areas that require additional skills or expertise (<i>Source: Adapted from Thomas Walsh, Perceptions of Development Partners and Evidence on Aid Effectiveness in Indonesia, September 2005</i>).</p>
<i>Example 1</i> of a parallel PIU	<p>The National Irrigation Authority shall establish a Project Office within 90 days after the signing of the Loan Agreement and appoint a full-time Project Manager acceptable to the [Donor]. The Project Manager shall be supported by an Assistant Project Manager and adequate technical and administrative staff, together with personnel assigned by other participating Government agencies and authorities to coordinate with the Project Manager. The Project Office shall continue to operate during the agricultural development phase for a period of at least 4 years after the completion of the construction work (<i>Source: Asian Development Bank 2005, The Role of Project Implementation Units, p. 8</i>).</p>
<i>Example 2</i> of A parallel PIU	<p>Role and Tasks of the Micro projects Management Unit — In conformity with The Financing Agreement for the 6th Micro project Programme, a Micro projects Management Unit (MPMU) was created in order to support the District Assemblies as the implementing agencies, the NAO and the [Donor] in the execution of this programme. The MPMU is in particular responsible for supporting the District Administrations in the operational implementation of the programme. In order to ensure an efficient implementation of the programme and a smooth cooperation and coordination between the various institutions involved, the [Specific] provisions have been set up to precisely define the role and tasks of the MPMU. (Source: European Commission).</p>

Indicator 7: Aid is more predictable

Introduction

Development assistance in many aid recipient countries constitutes an important source of revenue and resources for partner authorities. In order to make best use of development assistance partner authorities need to be in a position to plan for the medium and long term and to optimise allocation of resources within and across sectors. In this connection, the Paris Declaration calls on donors to provide reliable indicative commitments of aid over a multi-year framework and disburse aid in a timely and predictable fashion according to agreed schedules (PD-§26). While improvements in aid predictability are needed over the short, medium and long-term, this indicator focuses specifically on in-year predictability of aid flows to the government sector. In doing so, it recognises that shortfalls in the total amount of aid to the government sector and delays in the in-year disbursements of scheduled funds can have serious implications for a government's ability to implement its national development strategy as planned.

This indicator measures the gap between aid scheduled and aid effectively disbursed. The ability to disburse aid on schedule is a shared responsibility between donors and partner authorities. It requires donors, first, to provide reliable information on the schedule of their disbursements, and then, to disburse funds, as much as possible, on schedule. It also requires partners to meet the various requirements (administrative, technical & financial) that were agreed; and to accurately record disbursements in their accounting systems.

Guidance for comments — Inability to disburse on schedule is typically due to a wide variety of reasons. These include: delays in project execution, failure to meet conditions, re-allocation of funds by donors etc. This indicator, which is an indicator of collective performance rather than a diagnostic tool, can only go so far in providing a good understanding of a situation. This is why, in order to have an accurate description of a country situation it is important that this indicator be complemented by a narrative description. In providing this description, a useful distinction might be made between direct budget support and all other modalities of aid delivery.

Questions for all donors	Questions for partner governments
<p>■ How much ODA for the government sector did you schedule for disbursement in FY 2005?</p> <p><i>Please break-down according to the following categories:</i></p> <p>Q^d11. Direct budget support (USD): _____</p> <p>Q^d12. All other aid modalities (USD): _____</p>	<p>■ How much ODA for the government sector was actually received in FY 2005?⁷</p> <p><i>Please break-down according to the following categories:</i></p> <p>Q^g2. Direct budget support (USD): _____</p> <p>Q^g3. All other aid modalities (USD): _____</p>
Measurement of Indicator	
<p>Indicator 7 = $(Q^{g2} + Q^{g3}) / (Q^{d11} + Q^{d12})$</p>	

⁷ It is very important that this question be broken down on a donor by donor basis. See Questionnaire for government and Country worksheet for more information.

Key word	Definition & additional guidance
ODA scheduled for disbursement	This includes ODA notified in aid agreements for disbursement in FY 2005. The information provided by donors should be the schedule of draw downs included in the aid agreements. Where revisions were made to the schedule of draw downs in the course of FY 2005 donors should provide information included in the version of the schedule that was agreed in FY 2004 or prior.
ODA actually received	ODA actually received in the context of agreements between donors and the government sector (see definition above). Government should report data as it was recorded in the government accounting/reporting systems. This should include payments made direct by donors to third parties.
Direct Budget Support	Direct budget support is defined as a method of financing a partner country's budget through a transfer of resources from an external financing agency to the partner government's national treasury. The funds thus transferred are managed in accordance with the recipient's budgetary procedures. Funds transferred to the national treasury for financing programmes or projects managed according to different budgetary procedures from those of the partner country, with the intention or earmarking the resources for specific uses, are therefore excluded from this definition of budget support (Source: OECD 2006, <i>Harmonising Donor Practices for Effective Aid Delivery</i> , Vol. 2). This definition also includes direct budget support provided at the sector level and general budget support (see definitions below).
Direct budget support at the sector level	Budget support at the sector level is a sub-category of direct budget support. In the case of sector budget support, the dialogue between donors and partner governments focuses on sector-specific concerns (Source: Adapted from OECD 2006, <i>Harmonising Donor Practices for Effective Aid Delivery</i> , Vol. 2, Chap. 2: Budget Support)
General budget support	General budget support is a sub-category of direct budget support. In the case of general budget support, the dialogue between donors and partner governments focuses on overall policy and budget priorities. (Source: Adapted from OECD 2006, <i>Harmonising Donor Practices for Effective Aid Delivery</i> , Vol. 2, Chap. 2: Budget Support).
All other aid modalities	Total ODA for the government sector scheduled for disbursement excluding direct budget support (see definition above).
Government sector	See definitions provided under Indicator 3.

Indicator 9: Use of common arrangements or procedures

Introduction

Donors do not work in isolation. They undertake activities that involve partner authorities and generally work in areas where other donors are also active. Aid effectiveness is significantly enhanced when there is good framework for aid coordination that builds on shared objectives and set within a framework that reconciles different interests in a constructive way. In this connection, programme-based approaches (PBA) are an effective model for coordinating development assistance.

In order to measure this indicator partner authorities are required to establish in close consultation with donors a list of programmes that qualify against the criteria for programme-based approaches. In establishing this list of programmes, partner and donors will be guided by the definitions suggested below. In doing so, it is important that they use their best judgment in refining these definitions so as to align them with local practices.

Questions for all donors

- How much ODA did you disburse through programme-based approaches in FY 2005?

Please provide information for the following components of PBAs:

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

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

Questions for partner governments

Measurement of Indicator

$$\text{Indicator 9} = (Q^{d13} + Q^{d14}) / (Q^{d1} + Q^{d2})^8$$

⁸ Q^d1 and Q^d2 are collected under Indicator 3 and measure total ODA disbursed.

Key word	Definition & additional guidance
<p>Programme-based approach (PBA)</p>	<p>Programme-based approaches (PBA) are a way of engaging in development cooperation based on the principles of co-ordinated support for a locally owned programme of development, such as a national development strategy, a sector programme, a thematic programme or a programme of a specific organisation. Programme based approaches share the following features:</p> <ul style="list-style-type: none"> ▪ 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.
<p>Direct budget support</p>	<p>Direct budget support includes general budget support and direct budget support provided at the sector level. See definitions provided under Indicator 7.</p>
<p>Other forms of programme assistance</p>	<p>Other forms of programmatic support include ODA provided in the context of programme-based approaches and excluding direct budget support. This list might typically include the following modalities of aid delivery modalities when they are in accordance with the PBA criteria set out above:</p> <ul style="list-style-type: none"> ▪ Programme-based approach operating at the level of an entire sector such as SWAps (See OECD 2006, <i>Harmonising Donor Practices for Effective Aid Delivery</i>, Vol. 2, Chap. 3: Sector-Wide Approaches). ▪ Pooled arrangements in support of programme-based approaches. Pooled arrangements include basket funding and pooling of technical assistance. ▪ Other modalities in support of programme-based approaches. <p>In each of the countries where the survey is undertaken, a list of programme-based approaches that qualify for inclusion in this category should be established by the national coordinator in close consultation with donors.</p>

Indicator 10(a): Joint missions	
Introduction	
<p>One of the most frequent complaints made by partner authorities is that too much time is spent with donor officials and responding to donor needs. Sometimes meetings are scheduled without giving sufficient consideration to partner authorities' agendas and irrespective of claims made by other donors on the time of partner authorities. In planning their missions to the field it is important that donors:</p> <ul style="list-style-type: none"> ▪ Conduct fewer missions. ▪ Coordinate timing of missions with partner authorities and, where necessary, with other donors. ▪ Conduct more joint missions. ▪ Avoid conducting missions during 'mission free periods'. <p>This indicator focuses only on the proportion of missions undertaken by two or more donors jointly or by one donor on behalf of another (see definitions below). In doing so, it recognises that the intention behind this Indicator is not simply to have more joint missions but to have fewer missions overall. It also recognises that there is a proper place for single donor missions that are not undertaken jointly.</p>	
Questions for all donors	Questions for partner governments
<p>■ How many donor missions to the field were undertaken in FY 2005?</p> <p>Q^d15. Number of missions: _____</p> <p>Q^d16. How many of these were coordinated? _____.</p>	
Measurement of Indicator	
<p>Indicator 10(a) = Q^d16 / Q^d15</p>	

Key word	Definition & additional guidance
<p>Donor missions to the field</p>	<p>Donor missions to the field meet the following criteria:</p> <ul style="list-style-type: none"> ▪ The mission is undertaken by, or on behalf of, a donor, including by consultants commissioned by a donor. ▪ The mission involved international travel typically, but not exclusively, from donor headquarters. ▪ The mission made a request to meet with government (including local government) officials from the country of destination. <p>This definition excludes:</p> <ul style="list-style-type: none"> ▪ Missions undertaken by donors to attend events (workshops, conferences, etc.) that do not involve request to meet with government officials. ▪ Missions by parliamentarians and official visits from the country of the donor.
<p>Coordinated missions</p>	<p>Coordinated missions are (i) missions undertaken by one or more donor jointly, or (ii) missions undertaken by one donor on behalf of another donor.</p>

Indicator 10(b): Joint country analytic work

Introduction

Country analytic work encompasses the analysis and advice necessary to strengthen policy dialogue, develop and implement country strategies in support of sound development assistance. It typically includes country or sector studies and strategies, country evaluations, discussion papers etc. Good analytic work is essential for well-focused development policy and programmes. The Paris Declaration recognises that donors have a responsibility in ensuring that the analytic work they commission is undertaken, as much as possible, jointly (PD-§32). Doing country analytic work jointly has a number of benefits. It helps curb transaction costs for partner authorities, avoid unnecessary duplicative work and helps build common understanding between donors. In doing so, donors need also to draw on partner countries' own analytical work and, where appropriate, work with government and other donors.

This indicator measures the proportion of country analytic reports or reviews undertaken by two or more donors jointly or by one donor on behalf of other donor(s) as a percent of the total number of reports or reviews.

Questions for all donors

■ How many country analytic works did you undertake in FY 2005?

Q^d17. Number of works: _____

Q^d18. How many of these were coordinated?: _____

Questions for partner governments

Measurement of Indicator

$$\text{Indicator 10(b)} = Q^d18 / Q^d17$$

Key word	Definition & additional guidance
country analytic work (CAW)	<p>Country analytic work (CAW) encompasses the analysis and advice necessary to strengthen policy dialogue, develop and implement country strategies in support of sound development assistance. Good analytic work is essential for well-focused development policy and programmes. It should include major pieces of analytical work such as:</p> <ul style="list-style-type: none"> ▪ Diagnostic reviews (e.g. Country Procurement Assessment Report, Country Financial Accountability Assessments etc.). ▪ Country or sector studies and strategies. ▪ Country or sector evaluations. ▪ Cross-cutting analytical work such as gender assessments.
Coordinated country analytic work	<p>Coordinated country analytic work (CAW) is: (i) CAW undertaken by one or more donor jointly; (ii) CAW undertaken by one donor on behalf of another donor; (iii) CAW undertaken with government.</p>

Indicator 12: Mutual Accountability

Introduction

The Paris Declaration recognises that for aid to become truly effective, stronger and more balanced accountability mechanisms are required at all levels. In particular it calls donors and partner countries to jointly assess through existing country level mechanisms mutual progress in implementing agreed commitments on aid effectiveness including those included in the Paris Declaration (PD-§50).

The Paris Declaration also invites initiatives by partner countries to establish their own targets for improved aid effectiveness within the framework of the agreed Partnerships Commitments and Indicators of Progress included in the Paris Declaration (PD-§9).

This indicator seeks to measure progress in this area. It measures the number of partner countries that undertake mutual assessments of progress (see definition below) as a percent of the total number of countries that have taken part in this Survey.

Question for Government & Donors jointly

- Was a mutual assessment of progress in implementing agreed commitments conducted in your country?

Measurement of Indicator

Indicator 12 = [Number of countries who meet Criteria 12] / [Number of countries who take part in the Survey]

Key word	Definition & additional guidance
<p>Mutual assessments of progress</p>	<p>Mutual assessments of progress are exercises that engage at a national level both partner authorities and donors in a review of mutual performance. In determining whether mutual assessments of progress have been undertaken partner authorities and donors may be guided by the following criteria:</p> <ul style="list-style-type: none"> ▪ <i>Broad-based dialogue</i> — Mutual assessments should engage in dialogue with a broad range of government ministries (including line ministries and relevant departments) and donors (bilateral, multilateral and global initiatives). Government and donors should also consider engaging with civil society organisations. ▪ <i>Country mechanisms for monitoring progress</i> — A formal process for measuring progress and following-up the assessment on a regular basis (e.g. one to two years) might be supplemented, wherever possible, through independent/impartial reviews. The results of such assessments should be made publicly available through appropriate means, to ensure transparency. ▪ <i>Country targets</i> — Partner countries have established country targets for improved aid effectiveness including within the framework of the agreed Partnerships Commitments and Indicators of Progress included in the Paris Declaration (PD-§9). They may, however, go beyond the Paris Declaration wherever government and donors agree to do so. ▪ <i>High-level support</i> — The assessments should be transparent and country led with significant support at the highest levels and with an appropriate level of resources.

Appendix: Exchange rates

Comment

The Survey asks for all financial data to be presented in US\$. The following table is presented for the convenience of respondents and reflects monthly average rates for conversion of three major currencies into US Dollars. The rates were obtained from the website of the Reserve Bank of New York and represent the average of the noon buying rate for the currency concerned on the first and last trading day of each month.

Exchange rates

	2004			2005		
	US\$ per Euro	US\$ per Pounds	Yen per US\$	US\$ per Euro	US\$ per Pounds	Yen per US\$
January	\$1.2522	\$1.8059	¥106.40	\$1.3263	\$1.8954	¥103.19
February	\$1.2434	\$1.8379	¥107.43	\$1.3146	\$1.9021	¥104.09
March	\$1.2362	\$1.8540	¥106.56	\$1.3079	\$1.9047	¥105.80
April	\$1.2167	\$1.8154	¥107.04	\$1.2908	\$1.8956	¥106.11
May	\$1.2077	\$1.8025	¥110.26	\$1.2603	\$1.8595	¥106.52
June	\$1.2195	\$1.8243	¥109.94	\$1.2165	\$1.8025	¥109.67
July	\$1.2095	\$1.8172	¥109.82	\$1.2043	\$1.7651	¥111.97
August	\$1.2109	\$1.8152	¥110.04	\$1.2263	\$1.7854	¥111.48
September	\$1.2298	\$1.8015	¥109.91	\$1.2253	\$1.7988	¥111.73
October	\$1.2573	\$1.8161	¥108.25	\$1.1955	\$1.7624	¥115.27
November	\$1.3000	\$1.8698	¥104.73	\$1.1894	\$1.7476	¥118.01
December	\$1.3423	\$1.9229	¥102.73	\$1.1772	\$1.7239	¥119.25

Note 1 — Countries that maintain their internal accounting records in their domestic currency may also maintain memo entries of draw downs of aid in the currency the aid is denominated in. Where these memo records are reliable and more convenient than developing separate conversion schedules for their domestic currency, respondents may prefer to use their memo entries as the basis of their reporting (or conversion if the memo records are maintained in a currency other than the US Dollar).

Note 2 — Respondents may prefer to report data using the monthly average rate for specific transactions, particularly large budget support transactions, or may prefer to develop an annual average for a larger number of smaller transactions using an average of the above monthly rates that conforms to the fiscal period used for reporting purposes.