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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 for COMMENTS at the meeting of the Joint Venture on Monitoring the Paris Declaration (JV-MPD) on 23-24 March 2006. It has been established under the aegis of the JV-MPD with direct contributions from the Joint Venture on Public Financial Management (Indicators 3, 5a & 7) and the Joint Venture on Procurement (Indicator 5b). This version has been informed by the consultative missions in South Africa (20-24 February 2006) and Ghana (27 February - 3 March 2006).

Comments on this document are welcome by the 14 April 2006 and will inform the final version to be released on 2 May 2006.

This document is only available in PDF; it has also been posted 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.

Background

■ **The Paris Declaration on Aid Effectiveness** (2 March 2005) is an agreement between nearly 100 countries — representing recipients of aid and donors — and over 25 development agencies to provide aid in way that best supports the achievement of the Millennium Development Goals by 2015.

The Paris Declaration established a commitment to track and set targets against 12 Indicators of Progress (see appendix). The targets and indicators are: “designed to track and encourage progress at the global level among the countries and agencies that have agreed¹ to this Declaration”. It was decided at Paris, that two rounds of monitoring would be undertaken before the third High-Level Forum on aid effectiveness planned in 2008. The first round is to be undertaken in the course of 2006 in order to establish the 2005 baselines for the 12 Indicators of Progress.

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).

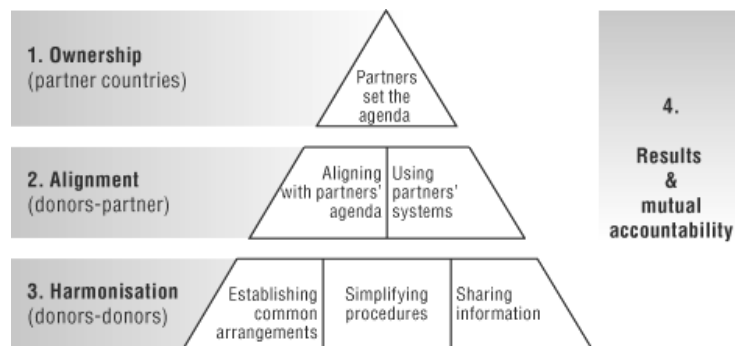
Alignment – Donors base their overall support on partner countries’ national development strategies, institutions and procedures. For example, this means that donors will draw conditions, wherever possible, from a developing country government’s development strategy, instead of imposing multiple conditions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

¹ See footnote on p. 4 (appendix).

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.



■ **Progress at country level is monitored against 12 indicators of aid effectiveness** — Participants at the Paris High-Level Forum agreed that progress would be measured against 12 indicators as a way of tracking and encouraging progress against the broader set of partnership commitments included in the Paris Declaration. The Working Party of the OECD-DAC has been tasked to co-ordinate the international monitoring of the indicators and a survey will be undertaken in the course of 2006 in order to establish baselines for the 12 indicators. This will be followed in 2008 by a second round of monitoring to review progress ahead of the next High-Level Forum on Aid Effectiveness scheduled in 2008 in Accra (Ghana).

■ **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: Definitions & Guidance.
- ✓ 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 and Guidance.

Definitions of key terms and additional guidance for all of the Indicators are provided in Document 5 (Definitions and guidance). 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 free-standing technical cooperation did you disburse for capacity development in FY 2005?
 - Q^d3. (USD): _____
- How much free-standing technical cooperation did you disburse through aligned or coordinated programmes 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): _____

Indicator 5b: Use of Country Procurement Systems

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

Q^d8. (USD): _____

Indicator 6: Avoiding Parallel Implementation Structures

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

Q^d9. 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^d10. Direct budget support (USD): _____

Q^d11. 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^d12. Direct budget support (USD): _____

Q^d13. Other forms of programmatic support (USD): _____

Indicator 10a: Joint missions

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

Q^d14. Number of missions: _____

Q^d15. How many of these were coordinated: _____

Indicator 10b: Joint country analytic work

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

Q^d16. Number of works: _____

Q^d17. 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 all donor agencies providing Official Development Assistance (ODA) to executing agencies based in the country receiving aid. Each donor agency should complete a single questionnaire. 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 (Definitions and guidance).

Indicator 3: Aid Flows are Aligned on National Priorities

- How much estimated ODA was reported in the 2005 annual budget?

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): _____

- For information, how much ODA for the government sector did donors schedule for disbursement in FY 2005? *Please break-down according to the following categories:*

Q⁹⁴. Direct budget support (USD): _____

Q⁹⁵. All other aid modalities (USD): _____

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

Table: **Pro forma template for responding to Indicators 3 & 7**

Table: Title of question (e.g. ODA received in FY 2005)			
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 Q⁹¹	
-----------------------------	--

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).

Table Q ⁹¹ : 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 Q⁹¹	
-----------------------------	--

■ **Comment** — Partner authorities and donors are invited to complement this indicator with a qualitative assessment. In doing so, it might prove helpful to disaggregate by programme or sectors. It might also be helpful to identify bottlenecks in achieving greater alignment.

Indicators 4 to 10¹

■ Please consolidate tables for each of the indicators using the **pro forma table included in the appendix**. As with Indicator 3, partner authorities and donors have the option of providing 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:

■ **Comment** — If you have answered yes above please provide a brief description of the mutual assessment of progress.

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					
Definition as stated in Paris Declaration	Assessment criteria as already agreed				
Percent of aid flows to the government sector that is reported on partners' national budgets.	<table border="1" style="width: 100%;"> <tr> <td style="background-color: #d3d3d3;">Numerator</td> <td>Aid flows to the government sector reported on government's budget(s).</td> </tr> <tr> <td style="background-color: #d3d3d3;">Denominator</td> <td>Aid flows to the government sector scheduled for fiscal year.</td> </tr> </table>	Numerator	Aid flows to the government sector reported on government's budget(s).	Denominator	Aid flows to the government sector scheduled for fiscal year.
Numerator	Aid flows to the government sector reported on government's budget(s).				
Denominator	Aid flows to the government sector scheduled for fiscal year.				
Rationale					
<p>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. For partner authorities, this means establishing credible annual budget estimates that accurately reflect aid flows in agreement with its national budgetary procedures. 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.</p> <p>This indicator reflects this by measuring the volume of estimated ODA reported in annual budgets as a percentage of ODA provided by donors to the government sector.</p>					
Questions for all donors	Questions for partner governments				
<p>■ How much ODA did you disburse in FY 2005?</p> <p><i>Please break-down according to the following categories:</i></p> <p>Q^d1. The government sector (USD): _____</p> <p>Q^d2. All other sectors (USD): _____</p>	<p>■ How much estimated ODA was reported in the 2005 annual budget?</p> <p>Q^g1. (USD): _____</p>				
Measurement of Indicator					
Indicator 3 = Q^g1 / Q^d1					

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). Disbursements should be reported once the funds have left the donor's account. Resources provided in kind should only be included when the value of the resources have been monetised in an agreement.
Government sector	Administrations (Ministry, Department or Agency) authorised to receive revenue or undertake expenditures on behalf of central government.
Disbursements for the government sector (Q ^{d1})	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 subcontracted by government to other entities (e.g. NGOs, private companies).
Disbursements for all other sectors (Q ^{d2})	This category includes the disbursement of ODA to non-government sector activities based in the country receiving ODA (i.e. the balance of total disbursements once disbursements for the government sector are deducted).
Annual budget	Is the annual budget as it was approved by parliament (or legislature).
Estimated ODA expenditure	Are the (ex ante) estimates of ODA expenditure as they were reported in budget or its appendices but excluding debt reorganisation and HIPC relief. In some countries the budget estimates will have incorporated a discount factor (e.g. the Treasury in Ghana applies a 20% discount factor to project aid but not to direct budget support).
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					
Definition as stated in Paris Declaration	Assessment criteria as already agreed				
<p>Percent of donor capacity-development support provided through co-ordinated programmes consistent with partners' national development strategies.</p>	<table border="1"> <tr> <td style="text-align: center;">Numerator</td> <td>Volume of technical cooperation provided through co-ordinated programmes in support of capacity development.</td> </tr> <tr> <td style="text-align: center;">Denominator</td> <td>Total volume of technical cooperation provided at country level.</td> </tr> </table>	Numerator	Volume of technical cooperation provided through co-ordinated programmes in support of capacity development.	Denominator	Total volume of technical cooperation provided at country level.
Numerator	Volume of technical cooperation provided through co-ordinated programmes in support of capacity development.				
Denominator	Total volume of technical cooperation provided at country level.				
Rationale					
<p>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).</p> <p>This indicator measures the volume of technical cooperation that is aligned with countries capacity development strategies and provided in a coordinated manner. Technical cooperation is used here as a narrow proxy for donor support for capacity development.</p>					
Questions for all donors	Questions for partner governments				
<ul style="list-style-type: none"> ■ How much free-standing technical cooperation did you disburse for capacity development in FY 2005? Q^{d3}. (USD): _____ ■ How much free-standing technical cooperation did you disburse through aligned or coordinated programmes in FY 2005? Q^{d4}. (USD): _____ 	<p>A list of aligned or coordinated programmes in support of capacity development is to be established by the national coordinator in close consultation with donors in each of the countries where the Survey is undertaken.</p>				
Measurement of Indicator					
<p>Indicator 4 = Q^{d4} / Q^{d3}</p>					

Key word	Definition & Guidance
Technical cooperation	Technical co-operation is the provision of know-how in the form of personnel, training, research and associated costs. Used without qualification, the term technical co-operation (sometimes referred to as technical assistance) is a generic term covering contributions to development primarily through the medium of education and training. An important distinction is made between free-standing technical cooperation and investment related technical cooperation (OECD DAC Statistical directives paragraphs 36-39).
Free-standing technical cooperation	Free-standing technical co-operation comprises activities financed by a donor country whose primary purpose is to augment the level of knowledge, skills, technical know-how or productive aptitudes of the population of developing countries, i.e. increasing their stock of human intellectual capital, or their capacity for more effective use of their existing factor endowment (OECD DAC Statistical directives paragraph 38). Only free-standing technical cooperation (and not investment related technical cooperation) should be recorded for the purpose of this survey.
Investment-related technical co-operation	For information, investment-related technical co-operation is defined in OECD DAC Statistical directives paragraph 39, as the financing of services by a donor with the primary purpose of contributing to the design and/or implementation of a project or programme aiming to increase the physical capital stock of the recipient country. These services include consulting services, technical support, the provision of know-how linked to the execution of an investment project, and the contribution of the donor's own personnel to the actual implementation of the project (managers, technicians, skilled labour etc.).
Aligned or coordinated free-standing technical cooperation	<p>Free-standing technical cooperation is aligned or coordinated when:</p> <ul style="list-style-type: none"> ▪ <i>Aligned programmes</i> —Partner countries establish clear capacity development strategies and programmes in key areas, and; Donors' integrate their support within these programmes to strengthen capacity development (see Example 1 below). ▪ <i>Coordinated programmes</i> — Where more than one donor is involved in supporting capacity development, arrangements for coordinating donor contributions are in place. Such arrangements might include, for example, pooled technical assistance or joint arrangements (see Example 2 below). <p>A list of aligned or coordinated programmes in support of capacity development programmes should be established by the national coordinator in close consultation with donors in each of the countries where the Survey is undertaken.</p>
<i>Example 1:</i> Four cases of aligned & integrated support in Africa	<p>Four capacity building projects provide support to partner governments in an integrated way. The \$ 41 million Tanzania Public Service Reform Credit, the \$100 million Ethiopia Public Sector Capacity Building programme, the \$20 million Rwanda Multisector Capacity Building project and the \$26 million Mozambique Public Sector Reform Programme. They have four key features in common:</p> <ul style="list-style-type: none"> ▪ A capacity needs assessment conducted by the ministries/departments with stakeholder participation. ▪ A strategic process that aligns the objectives and improvements being sought in individual ministries to the government's overall development goals and public expenditure policies. ▪ A human capacity development programme (training, equipment & resources) within the context of a larger institutional reform effort to ensure that the skills applied will be retained & applied. ▪ Development of monitoring and evaluation systems to provide: (a) inter-programme tracking and coordination so that the outcomes of the capacity building programme and other complementary reform efforts remain coherent, and (b) ministerial tracking and reporting on capacity development efforts. <p><i>Source: Adapted from OED 2005, Capacity Building in Africa, Box 3.1, p. 14.</i></p>
<i>Example 2:</i> Joining forces in Nepal.	<p>Along with the Danish International Development Agency (DANIDA), the German aid agency, (GTZ), has been assisting the Government of Nepal (HMG/N) in supporting its revenue administration. As both DANIDA and GTZ supported independent activities in the areas of VAT and income tax, in 1999, in response to a request from Government, the GTZ and DANIDA established the joint "Revenue Administration Support" (RAS) to help increase the effectiveness and transparency of the tax system through reforms in tax administration. (...) The co-ordination between GTZ, DANIDA and multilateral donors, which was initiated and executed locally and founded on a common understanding of technical co-operation and the staff's willingness and ability to collaborate and respond, has been absolutely critical to RAS's success (<i>Source: OECD 2006, Harmonising Donor Practices for Effective Aid Delivery, Vol. 2, Chap. 4.</i>)</p>

Indicator 5(a)ⁱ: Use of country public financial management systems (percent of aid)					
Definition as stated in Paris Declaration	Assessment criteria as already agreed				
<p>Percent of donors and of aid flows that use partner country procurement and/or public financial management systems in partner countries, which either:</p> <ul style="list-style-type: none"> ▪ Adhere to broadly accepted good practices or; ▪ Have a reform programme in place to achieve these. 	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Numerator</td> <td>Aid flows that use country PFM systems</td> </tr> <tr> <td style="text-align: center;">Denominator</td> <td>Total aid flows</td> </tr> </table>	Numerator	Aid flows that use country PFM systems	Denominator	Total aid flows
Numerator	Aid flows that use country PFM systems				
Denominator	Total aid flows				
Rationale					
<p>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)</p> <p>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.</p>					
Questions for all donors	Questions for partner governments				
<ul style="list-style-type: none"> ■ How much ODA did you disburse in FY 2005? Q^d1. For the government sector (USD)¹: ■ 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 auditing procedures (USD)? 					
Measurement of Indicator					
Indicator 5(a)ⁱ = [(Q^d5+Q^d6+Q^d7) / 3] / Q^d1					

¹ Same question as in Indicator 3.

Key word	Definition & additional guidance
Disbursements for the government sector	See Indicator 3 for definitions.
Use of national budget execution procedures	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 (see Example 1 below). In some countries the national budget executions procedures make provisions for the direct delivery of good and services by a donor to projects and programmes (see Example 2 below).
Use of national financial reporting procedures	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.
Use of national auditing procedures	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. The scope of the audit mandate of Supreme Audit Institution typically includes extra-budgetary funds and autonomous agencies including, in some countries, through the use of other audit institutions.
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. In many cases, the Accountant General will prepare and process this form, ensuring a minimal delay in sending funds to Ministry Department Agency (MDA) accounts.</p> <p>(iv) The Budget Division, after confirming with the Accountant General's department on the availability of funds, will issue a release warrant. While the Budget Department needs to be informed of the availability of funds as a matter of procedure, ceilings are normally not set on the release of Development partner funds and the release warrants are issued without reference to a ceiling limit.</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(a ⁱⁱ): Use of country public financial management systems (percent of donors)													
Definition as stated in Paris Declaration	Assessment criteria as already agreed												
<p>Percent of donors and of aid flows that use partner country procurement and/or public financial management systems in partner countries, which either:</p> <ul style="list-style-type: none"> ▪ Adhere to broadly accepted good practices or; ▪ Have a reform programme in place to achieve these. 	<table border="1"> <tr> <td style="background-color: #d3d3d3;">Numerator</td> <td>Aid flows that use country PFM systems</td> </tr> <tr> <td style="background-color: #d3d3d3;">Denominator</td> <td>Total aid flows</td> </tr> </table>	Numerator	Aid flows that use country PFM systems	Denominator	Total aid flows								
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Denominator	Total aid flows												
Rationale													
Same as Indicator 5(a ⁱ)													
Questions for all donors	Questions for partner governments												
Indicator will be calculated on the basis of information provided under Indicator 5(a ⁱ) above. No additional information is required here.	Indicator will be calculated on the basis of information provided under Indicator 5(a ⁱ) above. No additional information is required here.												
Measurement of Indicator													
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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(b)ⁱ: Use of country procurement systems (percent of aid)					
Definition as stated in Paris Declaration	Assessment criteria as already agreed				
<p>Percent of donors and of aid flows that use partner country procurement and/or public financial management systems in partner countries, which either:</p> <ul style="list-style-type: none"> ▪ Adhere to broadly accepted good practices or; ▪ Have a reform programme in place to achieve these. 	<table border="1" style="width: 100%;"> <tr> <td style="text-align: center;">Numerator</td> <td>Aid flows using country procurement systems.</td> </tr> <tr> <td style="text-align: center;">Denominator</td> <td>Total aid flows.</td> </tr> </table>	Numerator	Aid flows using country procurement systems.	Denominator	Total aid flows.
Numerator	Aid flows using country procurement systems.				
Denominator	Total aid flows.				
Rationale					
<p>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.</p> <p>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.</p>					
Questions for all donors	Questions for partner governments				
<ul style="list-style-type: none"> ■ How much ODA did you disburse in FY 2005... Q^{d1}. ...for the government sector (USD)²: _____ ■ How much ODA disbursed to the government sector in FY 2005 used national procurement systems? Q^{d8}. (USD): _____ 					
Measurement of Indicator					
Indicator 5(b)ⁱ = Q^{d8} / Q^{d1}					

² Same question as in Indicator 3.

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)

Definition as stated in Paris Declaration	Assessment criteria as already agreed												
<p>Percent of donors and of aid flows that use partner country procurement and/or public financial management systems in partner countries, which either:</p> <ul style="list-style-type: none"> ▪ Adhere to broadly accepted good practices or; ▪ Have a reform programme in place to achieve these. 	<table border="1"> <tr> <td style="text-align: center;">Numerator</td> <td>Aid flows using country procurement systems.</td> </tr> <tr> <td style="text-align: center;">Denominator</td> <td>Total aid flows.</td> </tr> </table>	Numerator	Aid flows using country procurement systems.	Denominator	Total aid flows.								
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Denominator	Total aid flows.												
Rationale													
Same as Indicator 5(b ⁱ)													
Questions for all donors	Questions for all donors												
Indicator will be calculated on the basis of information provided under Indicator 5(b ⁱ) above. No additional information is required here.	I												
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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	
Definition as stated in Paris Declaration	Assessment criteria as already agreed
Number of parallel project implementation units (PIUs) per country.	Total number of parallel project implementation units (PIUs)
Rationale	
<p>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”.</p> <p>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.</p> <p>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.</p>	
Questions for all donors	Questions for partner governments
<p>■ How many <u>parallel</u> project implementation units did you make use of in 2005?</p> <p>Q^{d9}. Number of <u>parallel</u> PIUs: _____</p>	
Measurement of Indicator	
Indicator 6 = Q^{d9}	

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. They typically share the following key features:</p> <ul style="list-style-type: none"> ▪ <i>Tasks of PIUS</i>— 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. A distinction should be made between a PIU and technical advice provided directly to national administrations. ▪ <i>Creation of PIUS</i> — PIUs are often established at the request of a donor following the inception of a project or programme (See Example 1 below). ▪ <i>Staff composition and size</i> — 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). <p>An important distinction is made in this survey between Parallel PIUs (see definition below) and government-integrated PIUs (see Example 3 below).</p>
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"> ▪ <i>Accountability</i> — 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. ▪ <i>Composition of staff</i> — Most of the professional staff of parallel PIUs is appointed by the donor rather than the implementing MDA. ▪ <i>Ad hoc organisations</i> — Most parallel PIUs are established at the inception of a o project and programme and are dismantled following its completion (See Example 1 below).
Example 1: Establishment of a parallel PIU	<p><i>Taken from the loan agreement for the Tago River Irrigation Project in the Philippines (Sept. 1977):</i></p> <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 [Asian Development] Bank. 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>
Example 2: A fully-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>

Indicator 7: Aid is more predictable					
Definition as stated in Paris Declaration	Assessment criteria as already agreed				
<p>Percent of aid disbursements released according to agreed schedules in annual or multi-year frameworks.</p>	<table border="1" style="width: 100%;"> <tr> <td style="background-color: #d3d3d3;">Numerator</td> <td>Aid flows disbursed within the fiscal year for which it was scheduled.</td> </tr> <tr> <td style="background-color: #d3d3d3;">Denominator</td> <td>Aid flows scheduled for fiscal year.</td> </tr> </table>	Numerator	Aid flows disbursed within the fiscal year for which it was scheduled.	Denominator	Aid flows scheduled for fiscal year.
Numerator	Aid flows disbursed within the fiscal year for which it was scheduled.				
Denominator	Aid flows scheduled for fiscal year.				
Rationale					
<p>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.</p> <p>This indicator measures the volume of aid flows disbursed within the fiscal year for which it was scheduled as a percent of total aid disbursed to the government sector. As with Indicator 3, this indicator is an outcome indicator of collective performance for both donors and partner authorities. It requires donors to disburse on schedule and partners to meet the various requirements (administrative, technical & financial) that were already agreed with donors when the funds were scheduled for disbursement.</p>					
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^d10. Direct budget support (USD): _____</p> <p>Q^d11. All other aid modalities (USD): _____</p>	<p>■ How much ODA for the government sector was actually received in FY 2005?</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> <p>■ For information, how much ODA for the government sector did donors schedule for disbursement in FY 2005?</p> <p><i>Please break-down according to the following categories:</i></p> <p>Q^g4. Direct budget support (USD): _____</p> <p>Q^g5. All other aid modalities (USD): _____</p>				
Measurement of Indicator					
<p>Indicator 7 = $(Q^g2 + Q^g3) / (Q^d10 + Q^d11)$</p>					

Key word	Definition & additional guidance
Government sector	Administrations (Ministry, Department or Agency) authorised to receive revenue or undertake expenditures on behalf of central government.
ODA for the government sector (Question for donors)	This is the ODA scheduled for disbursement in agreements between donors and the government sector. This should include ODA that funds goods or services subcontracted by government to other entities (e.g. NGOs, private companies).
ODA scheduled for disbursement	This includes ODA planned 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.
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).
All other aid modalities	All other aid modalities (project support, sector support, earmarked budget support etc.) not included under the definition of direct budget support (see definition above).
ODA actually received (Question for government)	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.
ODA actually received (Question for government)	
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.

Indicator 9: Use of common arrangements or procedures					
Definition as stated in Paris Declaration	Assessment criteria as already agreed				
Percent of aid provided as programme-based approaches.	<table border="1" style="width: 100%;"> <tr> <td style="width: 20%;">Numerator</td> <td>Aid flows provided as programme-based approaches (and broken down across the aid modalities that contribute to programme-based approaches).</td> </tr> <tr> <td>Denominator</td> <td>Total aid flows.</td> </tr> </table>	Numerator	Aid flows provided as programme-based approaches (and broken down across the aid modalities that contribute to programme-based approaches).	Denominator	Total aid flows.
Numerator	Aid flows provided as programme-based approaches (and broken down across the aid modalities that contribute to programme-based approaches).				
Denominator	Total aid flows.				
Rationale					
<p>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.</p> <p>This indicator measures the proportion of aid flows provided as programme-based approach as a percent of aid disbursed.</p>					
Questions for all donors	Questions for partner governments				
<p>■ How much ODA did you disburse in FY 2005? <i>Please break-down according to the following categories:</i></p> <p>Q^d1. For the government sector (USD): _____</p> <p>Q^d2. For all other sectors (USD): _____</p> <p>■ How much ODA did you disburse through programme-based approaches in FY 2005? <i>Please provide information for the following components of PBAs:</i></p> <p>Q^d12. Direct budget support (USD): _____</p> <p>Q^d13. Other forms of programmatic support (USD): _____</p>	<p>A list of programme-based approaches is to be established by the national coordinator in close consultation with donors in each of the countries where the Survey is undertaken.</p>				
Measurement of Indicator					
<p>Indicator 9 = $(Q^{d12} + Q^{d13}) / (Q^{d1} + Q^{d2})$</p>					

Key word	Definition & additional guidance
Programme-based approach (PBA)	<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.
Direct budget support (including General Budget Support and Sector Budget Support)	<p>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. Earmarked budget support (see definition below) is excluded from this definition of budget support.</p> <p>An additional distinction within direct budget support might be made between general budget support and sector budget support. In the case of general budget support, the dialogue between donors and partner governments focuses on overall policy and budget priorities (General Budget Support], whereas for sector budget support the focus is on sector-specific concerns (Sector Budget Support) Both constitute modalities of direct budget support (Source: Adapted from OECD 2006, <i>Harmonising Donor Practices for Effective Aid Delivery</i>, Vol. 2, Chap. 2: Budget Support).</p>
Other forms of programmatic support	<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"> ▪ Earmarked budget support (see definition below). ▪ Sector-wide approaches (see definition below). ▪ Pooled arrangements in support of programme-based approaches. Pooled arrangements include basket funding and pooling of technical assistance. ▪ Other forms 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>
Earmarked budget support	<p>For the purpose of this Survey, earmarked budget support is defined as the provision of funds into the national treasury for financing programmes or projects managed according to different budgetary or procurement procedures from those of the partner country with the intention of earmarking the resources for specific uses (Source: Adapted from OECD 2006, <i>Harmonising Donor Practices for Effective Aid Delivery</i>, Vol. 2.).</p>
Sector-wide approaches.	<p>A sector-wide approach (SWAp) is a programme-based approach operating at the level of an entire sector. The key component of a SWAp will typically include:</p> <ul style="list-style-type: none"> ▪ A clear nationally-owned sector policy and strategy. ▪ A medium-term expenditure programme that reflects the sector strategy. ▪ A formalised government-led process for aid co-ordination and dialogue at the sector level. ▪ An agreed process for moving towards harmonised systems for reporting, budgeting, financial management and procurement. <p>A sector development programme may be supported by a variety of aid instruments, including aid funded projects, technical assistance etc. (Source: Adapted from OECD 2006, <i>Harmonising Donor Practices for Effective Aid Delivery</i>, Vol. 2, Chap. 3: Sector-Wide Approaches)</p>

Indicator 10(a): Joint missions					
Definition as stated in Paris Declaration	Assessment criteria as already agreed				
<p>Percent of (a) field missions and/or (b) country analytic work, including diagnostic reviews that are joint.</p>	<table border="1"> <tr> <td style="background-color: #d3d3d3;">Numerator</td> <td>Number of donor missions to the field undertaken by two or more donors jointly or by one donor on behalf of other donor(s).</td> </tr> <tr> <td style="background-color: #d3d3d3;">Denominator</td> <td>Total number of donor missions to the field.</td> </tr> </table>	Numerator	Number of donor missions to the field undertaken by two or more donors jointly or by one donor on behalf of other donor(s).	Denominator	Total number of donor missions to the field.
Numerator	Number of donor missions to the field undertaken by two or more donors jointly or by one donor on behalf of other donor(s).				
Denominator	Total number of donor missions to the field.				
Rationale					
<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	Question for Government				
<p>■ How many donor missions to the field were undertaken in FY 2005?</p> <p>Q^d14. Number of missions: _____</p> <p>Q^d15. How many of these were coordinated?: _____.</p>					
Measurement of Indicator					
<p>Indicator 10(a) = Q^d15 / Q^d14</p>					

Key word	Definition & additional guidance
<p>International donor missions to the field</p>	<p>International 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					
Definition as stated in Paris Declaration	Assessment criteria as already agreed				
Percent of (a) field missions and/or (b) country analytic work, including diagnostic reviews that are joint.	<table border="1" style="width: 100%;"> <tr> <td style="text-align: center;">Numerator</td> <td>Number of country analytic reports undertaken by two or more donors jointly or by one donor on behalf of other donor(s).</td> </tr> <tr> <td style="text-align: center;">Denominator</td> <td>Total number of country analytic reports</td> </tr> </table>	Numerator	Number of country analytic reports undertaken by two or more donors jointly or by one donor on behalf of other donor(s).	Denominator	Total number of country analytic reports
Numerator	Number of country analytic reports undertaken by two or more donors jointly or by one donor on behalf of other donor(s).				
Denominator	Total number of country analytic reports				
Rationale					
<p>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.</p> <p>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.</p>					
Questions for all donors	Question for Government				
<p>■ How many country analytic works did you undertake in FY 2005?</p> <p>Q^d16. Number of works: _____</p> <p>Q^d17. How many of these were coordinated?: _____</p>					
Measurement of Indicator					
Indicator 10(b) = Q^d17 / Q^d16					

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. 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:</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 and discussion papers. ▪ 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					
Definition as stated in Paris Declaration	Assessment criteria as already agreed				
<p>Number of partner countries that undertake mutual assessments of progress in implementing agreed commitments on aid effectiveness including those in this Declaration.</p>	<table border="1"> <tr> <td style="text-align: center;">Numerator</td> <td>Number of partner countries that undertake mutual assessments of progress in implementing agreed commitments and more broadly their development partnerships.</td> </tr> <tr> <td style="text-align: center;">Denominator</td> <td>Total number of countries.</td> </tr> </table>	Numerator	Number of partner countries that undertake mutual assessments of progress in implementing agreed commitments and more broadly their development partnerships.	Denominator	Total number of countries.
Numerator	Number of partner countries that undertake mutual assessments of progress in implementing agreed commitments and more broadly their development partnerships.				
Denominator	Total number of countries.				
Rationale					
<p>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).</p> <p>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).</p> <p>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.</p>					
Question for Government & Donors <u>jointly</u>					
<p>■ Was a mutual assessment of progress in implementing agreed commitments conducted in your country?</p>					
Measurement of Indicator					
<p>Indicator 12 = [Number of countries who meet Criteria 12] / [Number of countries who take part in the Survey]</p>					

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 will be guided by the following criteria:</p> <ul style="list-style-type: none"> ▪ <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-S9). They should, however, go beyond the Paris Declaration wherever government and donors agree to do so. ▪ <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) should 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>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>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.