NATIONAL AID POLICIES
Key Pillars for Mutual Accountability

A Guidance Note for Stakeholders of Development Cooperation

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For the Inter-Parliamentary Union
August 2013

Background and Objectives of the Note

An inclusive and fully owned aid policy establishing the overall framework for development cooperation at the country level, agreed with all key stakeholders, is essential to implementing international commitments on maximizing the effectiveness and results of development cooperation, reaffirmed most recently in the Global Partnership for Effective Development Cooperation agreed in Busan in 2011.

Analysis by the UN (ECOSOC, UNCTAD), OECD, CSOs (Action Aid, UKAN), and the IPU has shown that aid recipient countries need to adopt a strong aid policy to ensure balanced mutual accountability for results between government and its development partners. National aid policies must vary according to country circumstances (see Box 1). However, by 2012 only 20 countries had policies strong enough to allow accountability to work, and only 4 had functioning mutual accountability processes. This is partly because many stakeholders have limited understanding of what an aid policy is for, or how it should work to ensure mutual accountability.

As an active partner in the Development Cooperation Forum (DCF) of ECOSOC, the IPU has commissioned this paper to serve as an initial guidance note for development cooperation practitioners and stakeholders (governments, parliamentarians, civil society, and providers of development cooperation). It aims

1) to promote an in-depth discussion in the DCF, creating common ground among stakeholders on the role and features of an aid policy; and
2) to raise awareness among all stakeholders of the need to advocate the adoption of aid policies (or improvement of existing policies), to participate in their implementation, and to take measures to strengthen mutual accountability.

The note draws on a detailed review of 26 national aid policies, of which some are cited as best practice examples in the text. The note is structured as follows:

Section 1) explains the basic rationale and purpose of an aid policy
Section 2) looks at the potential content of a policy
Section 3) looks at the process of constructing a policy at national level
Section 4) looks at tools and processes for implementing the policy.

1: Why an Aid Policy?

There are two key reasons why a country needs an aid policy:

i. Managing a Key National Development Financing Resource

Aid is an important source of development financing – particularly in Low Income or Least Developed Countries where it accounts for a large share of the national budget, but also in Middle Income countries where it can play a strong catalytic role.

Most developing countries refer to aid as a key financing source in their national development strategies: yet, while most have had strategies to promote growth and increase budget revenue, and even more detailed plans for how they will spend revenue and financing, many have not had clear aid policies.

In the absence of a national aid policy, the value contribution to the development goals of the country is not optimized, as there is no formal framework to ensure that aid is properly integrated and linked to the government's management of its own budget.

In some countries (especially post-conflict or newly independent states), high proportions of aid are managed off-budget by donors (via their own implementation agencies or CSOs). A national aid policy is a priority to increase flows of development assistance through the budget, as well as to coordinate and monitor off-budget flows.

ii. Accountability for Development Results

Most developing countries and their development partners have endorsed international commitments to enhance the effectiveness of aid in promoting development results. The most recent commitments come from the Busan Global Partnership for Effective Development Cooperation (GPEDC) (2011),[1] which involved OECD donors, international organizations, non-OECD provider governments and global CSOs, as well as parliamentarians via the IPU and AWEPA.

One key element of these commitments has been that aid recipients and providers should hold one another "mutually accountable" for maximizing results.[2] Most recipient country executives are held accountable to their citizens (and donors) via annual reports on the execution of their national development strategy, and to donor executives via detailed matrices reporting on many policy actions or outcomes. In contrast, most donors have not been held accountable to recipient governments, parliaments or citizens for the effectiveness of their aid in producing results. As a result, many recipients have been anxious to take advantage of global commitments to hold donors to account.

These factors might suggest that for some countries an aid policy is unnecessary. These might be countries for which aid is a low percentage of revenue, or countries which have not supported any aid effectiveness agreements (very few[3]). While an aid policy has generally been less of a priority for low aid dependence countries, for most the key issues are content, and supporting processes for agreement and implementation.

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[1] For comprehensive documentation on these commitments, see www.oecd.org/development/effectiveness/

[2] For a comprehensive definition and discussion of "mutual accountability" see DCF 2013.

[3] For a list of the 160 countries supporting GPEDC see www.effectivecooperation.org

Having a strong aid policy in place is today one of five key criteria by which progress on mutual accountability is being measured as part of ten indicators agreed by development partners in the follow up to the Busan conference (Indicator 7).

Box 1: Varying Aid Policies According to Country Circumstances
To work effectively, aid policies must be adapted to national circumstances. As a result, their content, processes and monitoring mechanisms all vary considerably. In particular, **content** needs to take account of other relevant policy frameworks. The most obvious (apart from the GPEDC) is the New Deal for Engagement in Fragile States (see http://www.newdeal4peace.org), which encourages a Compact between the fragile state and donors. It places particular stress on increasing transparency and parliamentary oversight; sharing risks among donors and recipients; channeling aid in ways which build government capacity; and developing simple and accountable national procedures which donors will use. South-South cooperation, CSO alliance, regional or bilateral agreements may also need to be incorporated. Other variations may depend on types of aid provided: for example, countries may see no need to include indicators for budget support, if they receive little of such support or would regard its associated policy conditionality as too intrusive. Other countries might choose to focus policy design and implementation structures on particular priority sectors, or use them as pilots. Content should also vary based on the expected future direction of aid and the degree to which the country will graduate from aid dependence – due either to donor policies such as concentrating aid on LICs or LDCs, or government's own efforts to increase budget revenue and other non-aid financing for the budget. **Processes** will need to vary according to country circumstances, especially based on the number of government agencies involved in the management of aid, the ways in which parliaments and CSOs are consulted about the national development strategy, and the form of prior structures existing for government-donor consultation. **Monitoring frameworks and their indicators** may also need to vary in terms of their detail and ambition, especially depending on what the recipient government sees as top priorities for reform and the major impediments to effective utilization of aid for results; and on the degree to which each party trusts the others' procedures and systems. However, it is vital to distinguish between the objective factors above and subjective factors such as temporary disputes between recipient and donors (or other stakeholders), or lack of information on best practices in other countries, which can dramatically reduce the ambition of the content or monitoring of a national policy. The most effective way to achieve this is to involve expertise from ambitious countries in the process of design and implementation, and make sure it is independent of donors.

2: What Should A National Aid Policy Contain?

A national aid policy should build on existing legislation, policies, rules and regulations, and should be linked to the country's overall strategy and development plans. It should contain the following broad elements (the precise format and length will vary according to preferences):

I. RATIONALE AND PURPOSE/OBJECTIVES.

A clear short statement (about one page) of reasons for a policy, and purpose/objectives it will achieve. These would be similar to those discussed in Section 2) above and be adjusted to the specific country circumstances.

II. GUIDING PRINCIPLES.

A similar statement (about one page) of key underlying principles of the policy. Typically this covers concepts which appear repeatedly in the policy, both defining them and if necessary explaining why they are important.[4] Key concepts chosen might include:

- ***Alignment*** - aid will be aligned to the national and sectoral development strategies; and will maximize use of government systems and procedures
- ***Managing for Results*** - government and partners will improve policies and procedures to maximize the impact of aid on national development results;
- ***Accountability*** –government and partners will be accountable to one another and to the citizens of the recipient country;
- ***Value for Money*** –all partners will strive to achieve maximum value for money.
- ***Transparency and Predictability*** –all will ensure maximum transparency and predictability on flows and results of aid;
- ***Reducing Transaction Costs*** –improved aid management will reduce negotiation/bureaucracy and focus resources on delivering results;
- ***Inclusivity*** –the policy will be adapted to the particular features of development partners to ensure they participate (OECD, non-OECD, CSOs, foundations etc.); all government agencies and national stakeholders (Parliament, Civil Society Organizations and private sector) will be involved in design/implementation.
- ***Coordination*** - the policy will be implemented through existing or streamlined structures and processes, so as to minimize transaction costs.

III. KEY AID POLICIES AND OBJECTIVES

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This section (around 2000-2500 words) is the core of the policy. It defines government's key objectives and the wording of the commitments by government and development partners (without defining the exact indicators to be monitored, which can be specified in a separate matrix). In regard to each policy it is ideal for the number of commitments by government and development partners to be similar to show that the policy is "balanced". This should not normally mean many additional policy actions for the recipient government as most of its intended actions will be contained in other agreements with development

[4] In spite of these explanations, it will almost certainly be necessary to annex a glossary to the policy, explaining all the technical terms in it to those who have not been closely involved with its construction.

partners. As a result, in what follows, the focus is on actions which would be requested of development partners.

Among issues which could be covered are those arising from the global commitments on aid effectiveness, because they are usually easiest to convince donors to implement – but most governments with strong aid policies have gone well beyond these to include other issues of concern nationally. Key issues to include may be:

- ***Reducing Aid Dependency*** and how this can best be achieved.
- ***Modalities of Aid***: especially whether the government wishes to have higher or lower proportions of general or sectoral budget support, project aid, and technical assistance; and how the characteristics of each modality can be improved
- ***Use of Other Channels*** (vertical funds, CSOs) for cooperation and measures government would like to see to improve their alignment with the national development strategy or their transparency and accountability, as well as to ensure that all aid to the government sector is reported in the budget.
- ***Alignment****:* all aid must fund programmes or projects and contribute to results included in national and sectoral development strategies
- ***Policy and Procedural Conditionalities***
    - to reduce policy conditions through dialogue – preferably to commitments in the national development strategy and underlying principles reflected in the constitution and international conventions;
    - to simplify or abolish procedural conditions for appraisal/approval (e.g. counterpart funding requirements), procurement and disbursement (the details of these tend to vary substantially by country depending on which procedural conditions are seen as most onerous and delaying).
- ***Use of Government Systems*** – to use to the maximum recipient government financial management, procurement and results monitoring/evaluation systems (e.g. supreme audit institutions). In addition, according to the Accra/Busan commitments, it is reasonable to ask development partners to lay out a plan to increase use of government systems, and to report annually on their progress as well as why they need any exemptions from using such systems
- ***Untying*** – to avoid tying aid to exports of goods, services or expertise from the providing country - which in most cases reduces its value for money as well as results. Given that some cooperation is bound to remain tied, it is best to commit to subjecting such cooperation to strict value for money checks.
- ***Reducing Transaction Costs*** – this can include commitments to apply a “division of labor” process, to reduce overcrowding of development partners in some sectors and under-resourcing in others; to encourage co-financing, “silent partnerships” where one donor represents another, or pooling of funds to support government programmes; coordination of missions and analysis under government leadership to reduce their numbers; operating a “closed season” or “quiet period” when no missions will be received (e.g. during the budget period); reducing project implementation units (and requiring development partners to publish a plan to phase them out);
- ***Increasing Predictability*** – by development partners providing forecasts of quarterly disbursements as inputs to the budget, and disbursing on schedule, as well as projections of indicative resource allocations for an appropriate medium-term period (usually 3-5 years, to match either the national development plan or a medium-term budget spending framework)

- ***Concessionality*** – ensuring the aid policy is clearly aligned with any debt strategy of government by encouraging maximum use of grants and concessional loans, and clearly defining processes and circumstances for non-concessional loans/
- ***Mutual Accountability*** – committing government and development partners to developing a monitoring framework which will contain indicators for government and individual donors, a joint annual progress review, and publication of the review and resulting discussions, as well as an independent evaluation of progress in implementing the aid policy every 3 years. As an established practice of mutual accountability, joint progress reviews led by parliamentarians of both donor and recipient countries should also be considered.
- ***Domestic Accountability*** – ensuring the aid policy is led by domestic accountability considerations, such as, most critically, through an annual report to parliament on aid policy implementation as part of the national development strategy, and a commitment to strong representation of parliament and CSOs in monitoring and implementation structures.
- ***Transparency*** – improving reporting to government of development cooperation and its results, and making this information publicly accessible.

If the monitoring framework for the policy has already been agreed by the time the policy is published, it can be included as an annex.

IV. IMPLEMENTING INSTITUTIONS AND MECHANISMS

This section (about 2000 words) should outline institutional and coordination arrangements which will be used to execute the policy. As discussed in more detail in Section 4, it should include a presentation of which government entities (including parliament) are legally responsible for managing development cooperation. It should also specify the mechanisms and structures which will be used to coordinate both within government and between government and other stakeholders, at political and technical levels. As much as possible, the text here should be supported by diagrams showing the membership and responsibilities of the structures (as with the example in Annex 2).

This section is particularly vital in countries where multiple agencies handle aid management, and can often be used as an opportunity to clarify responsibilities, reduce duplication and streamline procedures. If it is necessary to go into more details and be even clearer about who does what, there can be a more detailed annex.

Finally, this section should specify the nature of any independent team or mechanism which will review the aid policy, who will appoint its members, and how its report will be discussed, as well as providing for the creation of any ad hoc dispute resolution mechanism to resolve disputes between government and development partners. If there are any outstanding steps which need to be taken to support the implementation of the policy, these can also be specified in a final section.

Box 2: Should Aid Policies Go Beyond Aid?

Many developing country governments know that other policies of partner governments may have a much more dramatic impact on their development prospects than how aid is provided. For example, removing agricultural subsidies in OECD countries may be essential to maximize the impact of development cooperation supporting agriculture. They would therefore ideally like to extend their aid policies "beyond aid" to cover other partner government policies, thereby increasing policy coherence and stopping the positive effects of aid from being counteracted by negative policies elsewhere.

To try to achieve this, Uganda's "Partnership Policy" of 2012 contained policy commitments by Government and its development partners on issues relating to trade, technology, climate change, cross border tax evasion, agriculture, regional integration, migration and remittances. For example on agriculture, Government agreed to update its agriculture and rural development strategy, and to encourage partners to increase aid and transfer of agricultural technology; while partners agreed to review their policies to eliminate distortionary practices and enhance market access for Uganda's products.

Because these issues involve separate challenges and different stakeholders, and are not under the control of development agencies in partner countries, it proved impossible to monitor development partner commitments via annual targets applied to individual donors. However, Government and donors agreed to have an annual analysis of progress in these areas and regular discussions of policy coherence issues in all levels of meetings between government and development partners.

3: How Do Policies Get Constructed and Agreed?

The process for constructing and agreeing policies has differed widely across countries. In part it depends on: the degree of trust between government and development partners, and between government and domestic stakeholders; the degree of political pressure for agreement on a government-donor document; and the degree to which the donor group shares a similar commitment to advancing aid effectiveness in the country.

To lead the process, it is very helpful to have a task force, steering committee or working group established, containing 2-3 senior representatives of lead government agencies; experts on aid effectiveness from 2-3 likeminded donor agencies; and representatives of domestic stakeholders such as parliament, the key national CSO coalition and a representative private sector body. This body can hire any supporting expertise needed, fund and organize any workshops and seminars needed, and scrutinize early drafts of documents to make sure they are top quality and avoid antagonizing other stakeholder representatives in broader meetings.

Virtually all aid policies have been prepared with facilitation by external consultancy expertise. This can be very helpful in bringing to the table impartial experience of best practices in other countries, as well as full knowledge of what governments and donors have committed to in international and other national fora (local donor staff and non-executive stakeholders in particular should not be assumed to know the details). Countries are developing their own expertise, so new entrants should be more able to rely on countries with similar circumstances to provide advice. It is also vital that any process involves as much consultation as possible at an early stage, especially of existing aid management policymakers and staff in the country to establish the key concerns which government wishes the policy to resolve. This is often best done at a workshop in which national officials draft most of the policy.

Many countries already have an aid policy, but it may need strengthening: in particular to update it for recent national or global developments, or to make sure that it has an adequate monitoring framework with annual reporting on and discussion of individual donor performance. In these cases, the process can probably be simplified with far fewer drafts and meetings, once government and donors have overcome their reluctance to redo the policy. As already discussed, policies should be reviewed/updated every 3-5 years

The process needs to be inclusive from an early stage, both of non-OECD aid providers, and of parliamentarians and other domestic stakeholders. Both types of inclusion can be complicated and so require careful planning:

i. **Non-OECD aid providers (Southern governments, South-South multilateral organizations, CSOs, global funds and foundations), pose two main issues**:

- ***Representation****.* Many (notably Southern governments and multilateral organizations; and global funds and foundations) are not represented in the recipient country, and so require to be visited early in the process and invited early to key meetings; and
- ***Frameworks****.* Most have different frameworks or preferred means to judge effectiveness and results of their cooperation with the country, which need to be taken into account – for example, these include such criteria as speed and cost-effectiveness of delivery, or appropriate technology in the case of South-South cooperation; or CSO

effectiveness principles (e.g. the quality of partnership with national-level organizations) for CSOs.[5]

ii. Domestic stakeholders (parliament, civil society, labor, private sector) have three main issues:

- ***Representation***. In most groups there are complexities of representation of each group, requiring careful consultations and choices so as to include the correct representatives without having unmanageably large consultations. In general for parliamentarians the best representatives will be the chairs or key members of the committees considering the national development strategy and the budget; for civil society groups they will be the heads of a national coalition of CSOs focusing on broad economic and aid effectiveness issues, but also representatives involved in particular cross-cutting issues such as gender or environmental sustainability. An important consideration is to balance rival political parties (particularly to ensure representation by the opposition), union or private sector federations. In most cases the stakeholders should be allowed to choose their own representatives.
- ***Capacity-building needs***. Many non-executive stakeholders will not have been involved in discussions on aid issues and therefore require briefing on why the issue deserves their attention and thereafter capacity-building on the contents of the policy in order to make good contributions to its formulation and implementation. Capacity-building measures should be built into the process at an early stage to enhance the voice of parliamentarians and other domestic stakeholders.
- ***Different priority issues***. Full representation of stakeholders may well complicate the discussions by introducing additional issues such as how to enhance the degree of parliamentary scrutiny of aid; civil society "space" and rights of speech and association; labor rights and standards; and promoting the domestic private sector. These issues are best integrated into the process by consulting them fully from the start, and by asking them via their representative in the policy task force or steering committee to suggest wording on a few vital issues closely related to the impact of aid.

The **recommended process for preparing a policy** and its implementation will include:

a) An inception report gathering opinions of government officials, donors, parliamentarians and domestic stakeholders on the key issues, and proposing an outline/content of the policy, as well as a process for taking discussions forward. This should pay particular attention to making sure the process includes all development partners and domestic stakeholders.
b) A zero draft of a policy including the rationale, principles and objectives, and suggestions for detailed policy goals for government and donors, as well as for institutional structures. This is ideally designed in a workshop of government aid management officials.
c) Comments on this zero draft by a task force or other managing group, followed by a seminar at which a revised first draft is discussed with the broader stakeholder groups, and then revised into a penultimate draft policy document.
d) A zero draft of a monitoring framework describing the purpose of the monitoring and how it will take place, clearly defining indicators for each goal in the policy, and describing how each indicator will be monitored.

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[5] For more information on South-South cooperation characteristics and criteria, see IDCR 2013 Chapter 3. For more information on CSO effectiveness, see http://cso-effectiveness.org/home,091

e) Comments on this zero draft by the task force or other managing group, followed by a seminar at which a revised first draft is discussed with the broader stakeholder groups, and then revised into a penultimate draft monitoring framework.
f) If necessary, a baseline survey of donors, complemented by information from the national aid information management system, to establish baseline levels for the indicators of progress.
g) A final draft of a monitoring framework which sets annual targets for each indicator, based on current baseline levels and an appropriate degree of ambition (defined by a combination of internationally agreed commitments, and national-level negotiations between government and donors) agreed and signed off preliminarily by donors at a further meeting.
h) Agreement on the policy and monitoring framework by the appropriate government and parliamentary authorities (council of ministers, sometimes parliament finance committees); and
i) Signature of a joint government-donor-domestic stakeholder document (sometimes a short declaration by a government-development partners' high-level meeting referring to agreement on the policy and its indicators; but preferably a longer legal memorandum of understanding signed by all and laying out their roles and responsibilities).

It is also essential to ensure agreement on **immediate first steps in implementation**, including: widely disseminating the policy; reorganizing aid management responsibilities and coordination mechanisms; fully integrating non-executive stakeholders and non-OECD donors/CSOs; drawing up an implementation timetable; outlining urgent measures needed to build government, parliamentary and CSO capacity. How these immediate steps will be pushed forward – possibly by making permanent the task force or other group overseeing policy design – should also be discussed.

4: How Do Policies Get Implemented?

Based on analysis for the DCF of experience across 105 countries, there are three key factors which determine whether policies get implemented, and produce the change in behavior by governments and development partners which is needed to increase results from aid. They are:

a) **A *Strong Monitoring Framework*.**

- This needs to have clearly-defined indicators for each goal set for government and development partners, well-documented baseline levels (if necessary established through a survey), and fully negotiated targets for each year of the aid policy, as well as a clear statement of how each indicator will be monitored. A good example of such a framework, from Rwanda, is shown in Annex 1.
- The framework should be accompanied by a text describing the purpose of the monitoring and how it will take place, which needs to emphasize that it will involve a minimum amount of work for all parties. This can happen by drawing the information in large part from existing planned surveys (e.g. the monitoring survey of the Busan Global Partnership) and the national aid information system. Ideally government should aim over time to ensure that development partners report on the characteristics and results of their financing as part of their regular "aid monitoring reporting", removing the need for any type of survey.

b) A *Strong Institutional Framework*

- This should ensure that there is maximum clarity on which government agencies (including specific committees of parliament) are legally responsible for managing development cooperation. This applies during all the different stages of policy formulation; planning and programming; contact and negotiations with development partners; agreement, approval and signature of grants or loans; financial and physical implementation and monitoring; accounting, auditing reporting and evaluation.
- This needs to cover coordination among government agencies, and between government and development partners. Ideally, coordination could occur by development partners and domestic stakeholders participating in special meetings of the structures designed to ensure coordination within government on the national development strategy (see Annex 2 for the Uganda example), rather than establishing additional parallel structures for aid coordination.
- The framework should ensure that there is coordination at three levels – political (Ministers); top-level officials (e.g. permanent secretaries); and senior technical (director-general/director level). It should also define any supporting structures such as sector working groups, and any group or task force pushing forward the aid policy.

c) *A Strong Annual Assessment Of Progress*

- Progress on the monitoring framework then needs to be assessed annually in an analytical report. The assessment should disaggregate the performance of each individual donor country or multilateral institution, as well as aggregating performance so as to identify areas which are priorities for acceleration. It should discuss frankly the impediments to progress and recommend measures to overcome them. It is best conducted by the recipient government (except in circumstances where relations between government and donors are poor, and contracting an independent assessor may help achieve greater acceptance of findings and recommendations).

- The assessment needs to be discussed at the most senior level of the coordination meetings between government and development partners, so that the most senior policymakers on both sides are present and can agree remedial measures to accelerate progress. The final assessment report should be submitted to the relevant parliamentary committee.

Two **other factors** should also be considered to facilitate implementation:

- ***Capacity-building for all stakeholders.*** Local donor representatives, government aid management officials, parliamentarians, civil society/ labor/private sector groups, all can benefit from further capacity building so that they can contribute effectively to policy design and implementation. As already discussed, this should ideally start during the process of design, but for the implementation period a comprehensive and well-funded capacity-building plan is most often needed for all stakeholders.
- ***Regular reviews and updates of the policy*****.** Even the best of policies will fall out of date. It is desirable to have an independent review of their policies every 3 or 5 years, roughly in line with the time period of the national development strategy. The periodicity of reviews should ideally be specified in the original policy.

In the final analysis, an aid policy gets implemented only insofar as broader government-development partner relationships are healthy and based on growing trust. This overarching objective will depend to a large extent on implementing peer pressure, increasing the number of indicators and the ambition of targets, agreeing together on measures to overcome emerging issues, and adjusting implementation structures as needed. Those countries that have embarked on this road have seen dramatic improvements in government and development partner behavior, as well as increased development results per dollar of aid.

REFERENCES/FURTHER READING

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ANNEX X Rwanda Monitoring Framework

AGGREGATE DONOR PERFORMANCE ASSESSMENT FRAMEWORK
Preliminary results from the 2009 round of monitoring. <u>Figures are not final and may be subject to revision.</u>

This table offers a like-for-like comparison (i.e. 2007 baseline, 2008 actuals and targets are calculated only for those 12 donors who completed questionnaires in both years). These figures do not therefore offer a comprehensive picture of progress to date.

KEY: Target Met / Target Not Met

Results Area	Indica		2007 Baseline	2008 Target	2008 Actual	2009 Target	2010 Target	2011 Target
A. Financing national strategies in support of the MDGs and Vision 2020	A1	Volume of ODA on-budget (RWF)	179,200,125,382	Continued increase	**241,452,537,526**	Continued increase	Continued increase	Continued increase
	A2	% ODA recorded in the national budget (PD indicator 3) (ratio inverted where % disb > % budgeted)	51%	67%	55%	84%	100%	100%
	A3	% ODA captured and detailed in sector strategic plans	Establish baseline 2008		Not available at the time of analysis		100%	100%
B. Use of national systems and institutions for strengthened ownership, sustainability and reduced transaction costs	B1	% ODA disbursed in the context of a PBA (PD indic 9)	36%	46%	37%	56%	67%	Maintain or increase
	B2	% ODA disbursed using GoR budget execution procedures (PD indic 5a)	44%	49%	38%	54%	59%	Maintain or increase
	B3	% ODA disbursed using GoR auditing procedures (PD indic 5a)	38%	45%	46%	52%	59%	Maintain or increase
	B4	% ODA disbursed using GoR financial reporting systems (PD indic 5a)	46%	50%	46%	55%	59%	Maintain or increase
	B5	% ODA disbursed using GoR procurement systems (PD indic 5b)	42%	50%	48%	58%	66%	Maintain or increase
	B6	Number of parallel PIUs (PD indic 6)	39	30	39	22	13	Maintain or decrease
	B7	% of TC provided through coordinated programmes (PD indic 4)	85%	Maintain or increase	87%	Maintain or increase	Maintain or increase	Maintain or increase
	B8	% of ODA untied (PD indic 8)	TBC	Continued increase	Not available at the time of analysis	Continued increase	Continued increase	Continued increase
C. Facilitating longer-term planning and implementation through predictable development financing	C1	% of donors delivering all ODA through multi-year binding agreements of at least three years.	Establish baseline in 2008		**50%**	Agree on targets in 2009		
	C2	% of donors providing non-binding indication of future aid to cover at least 3 years ahead, on a rolling basis and according to GoR fiscal year.	Establish baseline in 2008		**58%**	Agree on targets in 2009		
	C3	% ODA delivered in the year for which it was scheduled (PD indic 7) (ratio inverted where % disb > % scheduled)	66%	71%	Not available (pending publication of consolidated accounts)	77%	83%	83%
	C4	% of ODA disbursements for years n and n-1 captured in DAD.	Establish baseline 2008		**25%**	63%	100%	100%
	C5	% of committed / indicative ODA for years n to n+3 captured in DAD.	Establish baseline 2008		Not available at the time of analysis	TBD	100%	100%
	C6	DAD data quality index for year n.	Establish baseline 2008		**0.70**	0.85	1.00	1.00
D. Reduction of transaction costs and strengthening of partnerships through the adoption of harmonised approaches.	D1	Total number of missions	182	Maintain or decrease	**130**	Maintain or decrease	Maintain or decrease	Maintain or decrease
	D2	% of total missions that are joint (PD indic 10a)	25%	30%	17%	35%	40%	Maintain or increase
	D3	Total number of analytic works	69	Maintain or decrease	**61**	Maintain or decrease	Maintain or decrease	Maintain or decrease
	D4	% of donor analytic work that is coordinated (PD indic 10b)	49%	55%	**62%**	60%	66%	Maintain or increase
	D5	% of donors respecting GoR silent period	Establish baseline 2008		Not available at the time of analysis	Yes	Yes	Yes
E. Streamlining delivery at the sector level through effective use of comparative advantage	E1	(Average) number of sectors of intervention per donor	Establish baseline 2008		**5**	Establish targets in context of DoL		
	E2	Donors agree and adopt on an inter-sectoral division of labour (policy action)	No	Yes	Joint policy actions yet to be determined	Yes	Yes	Yes
	E3	Number of signed silent partnership / delegated cooperation agreements.	Establish baseline 2008		**15**	Maintain or increase	Maintain or increase	Maintain or increase
F. (Sector-specific indicators)	…	*(To be determined in consultation with sector clusters)*	Not applicable in 2008					

Key Results area G applies only to donors providing budget support to Rwanda:

G. Budget support provided in a manner that enhances ownership, predictability and reduces transaction costs.	G1	% of BS donors providing indicative commitments for BS in year n+1 to GoR within 4 weeks of end of April JBSR in year n.	Establish baselines 2008	100%	38%	100%	100%	100%
	G2	% of BS donors providing firm commitments for BS in year n+1 to GoR at least 4 weeks before start of Sept JBSR in year n.		100%	0%	100%	100%	100%
	G3	% of BS disbursed within the first quarter of the GoR fiscal year.		100%	Not available at the time of analysis	100%	100%	100%
	G4	% of BS disbursed within the GoR fiscal year for which it was scheduled, according to quarterly disbursement schedule agreed with GoR.		100%	Not available at the time of analysis	100%	100%	100%
	G5	% of BS donors adhering fully to common conditionality (CPAF).		100%	N/A - first year of CPAF	100%	100%	100%
	G6	% of BS donors adhering fully to partnership framework.		100%	75%	100%	100%	100%

Annex 2 - Uganda Partnership Policy
Coordination and Implementation Mechanisms