

Annex IIIb – Technical Notes of the PAPs' PAF

Technical Notes for the Indicators of the PAPs' PAF Matrix PAF 2009 Planning Meeting

Where the Paris indicators are used, the PAP matrix will adopt the definitions and clarifications given by the OECD/DAC questionnaire to avoid duplication of work and data inconsistencies.

For all indicators, only the ODA for the Government sector is considered. The Government sector is defined as Administrations (ministries, departments, branches or municipalities) authorized to receive income or carry out expenditure on behalf of the central Government.

Indicators:

1a) Weighting: 1 point will be attributed for at least 20%, 2 points for at least 30% and 3 points for at least 40%.

2) As to Paris indicator 9: the programmatic aid approaches share all four of the following characteristics:

- Leadership on the part of the host country or organization;
- A unique all-embracing programme and budget framework;
- A formalized process for the coordination and harmonization of the donors' procedures for account rendering, budgeting, financial management and procurement;
- Efforts to increase the use of local systems for the preparation and implementation of the programme, financial management, monitoring and evaluation.

In 2008 the following programmes satisfied these criteria:

Pro-Saúde, FC Fase, Pro-Agri, Sector Support to Fisheries, FC Águas, FC CNCS, FC UTRAFE, FC IGF (which perhaps should be integrated into the FC UTRAFE), FC UTRESP, Provincial Support to Niassa, FC PRISE, FC Administrative Tribunal, FC Tax Authority, FC Food Subsidy Programme, FC National Statistical System.

The donors may support and implement the programmatic approaches employing the various support modalities including support to the general budget, support to sector budgets, projects, common funds and trust funds, provided that the support satisfies all four above-mentioned criteria.

The list of aid that satisfies the above-mentioned criteria will be updated until the end of 2009. Two points will be awarded to those PAPs that meet the Paris Target of 66%

of programmatic aid and 4 points will be awarded to those that meet the PAPs' target of 75%.

3a) It is sufficient to have a multi-annual General Budget Support (AGO) programme in force for at least 3 years, even if it does not cover the three following years;

3b) This new indicator measures if the multi-annual AGO programme is rolling or not. A rolling programme is extended each year, to have always a validity of not less than three years.

4) The % of PAPs committed to contribute to the AGO for the year n+1 within 4 weeks after the Annual Review (AR) in agreement with AGO's MoU requirements;

5) This indicator measures two requirements, (a) disbursement of the amount that was promised within 4 weeks after the AR, and (b) disbursement within the quarter and the month as agreed during the December meeting of the Budget Analysis Group. The disbursement date is considered to be the day in which the money is withdrawn from the PAP bank account;

6) As to Paris indicator 3: PAP's ODA (excluding debt rescheduling) registered in the annual budget of the year n (as was approved originally by the legislative body) divided by the country-wide PAP's ODA programmed for disbursement in the fiscal year n;

7) As to Paris indicator 7: ODA registered in the Government accounting systems / reports, as a percentage of the ODA programmed by the donors for disbursement. It should be noted that variations in the PAPs' disbursements, in relation to what was planned, may occur due to factors beyond PAP's control;

8) The AGO's MoU defines that the PAPs will make indicative forecasts for three years of the planned granting of AGO and other support until the end of February of each year, in time for the CFMP process. This indicator captures the quality of the information provided in relation to the programmatic aid. The PAPs' information given to the CFMP 2010-2012 in February 2009 will be used as source of information. Two points will be awarded to the PAP if the information about the programmatic aid programmed for the year 2010 is sufficiently close to the actual disbursement carried out in 2010 and if the information about the programmatic aid programmed for the year 2011 is sufficiently close to the pledge for 2011 given in May 2010. The information is considered "sufficiently close" when it is within 90 and 110% of the corresponding value in the original currency.

9) The common conditionality for AGO is defined by the Performance Assessment Framework (PAF) indicators and by its basic principles. Additional conditions are normally laid down in the bilateral agreement of each PAP;

10) PAP has no exceptions in Annex 10 of the MoU

11) 100% of the signed bilateral agreements should be coherent with AGO's common MoU;

12) As to Paris indicator 5a: Indicator 12 is an aggregated indicator of indicators 12a, b, c and is calculated in the following way: $[(12a + 12b + 12c)/3] / \text{PAP's ODA disbursements}$:

- 12a) The donors use the national budget execution procedures when the funds made available are managed in agreement with the budgeting procedures as they were established in the general legislation and implemented by the Government. This means that the donor-supported programmes are subject to the normal budget execution procedures, namely procedures for authorisation, approval and payment, i.e., the funds pass through the single treasury account (on-CUT).
- 12b) The legal frameworks normally determine the specific types of financial reports to be produced as well as the periodicity of the preparation of these reports. The use of national financial reports means that the donors do not make additional demands to the governments for the financial reports. In particular they should NOT require:
 - The preparation of additional financial reports;
 - Accounts rendering frequencies that are different from the Government's normal accounts rendering cycle;
 - Formats for accounts rendering that do not use the existing Government accounts plan.
- 12c) The donors base themselves on the audit opinions given by the supreme national audit institution about the normal Government financial reports/balances as defined above. The use of the national audit procedures means that the donors do not formulate additional audit requirements for the governments.

13) As to Paris indicator 5b: The donors use the national procurement procedures when the funds attributed to the implementation of projects and programmes are managed in agreement with the national procurement procedures under the provisions of general legislation and implemented by the Government. The use of the national procurement procedures means that the donors do not formulate additional or special requirements for the Government about the procurement of works, goods and services.

14) This indicator complements the aggregated indicators 12 and 13 and the individual results of the PAPs against indicators 12 and 13, emphasising the efforts that the PAPs have made to revisit the specific MoUs of the programmatic aid, in support of indicators 12a, 12b and 13. The list of programmes will be updated until the end of the year 2009 (in agreement with list 3 of the OECD/DAC questionnaire).

In 2008 it included the following common sector funds and support to sector budgets: Pro-Saúde, FC Fase, Pro-Agri, Sector Support to Fisheries, FC Águas, FC CNCS, FC UTRAFE, FC IGF (which perhaps should be integrated into the FC UTAFE), Provincial Support to Niassa, FC PRISE, FC UTRESP, FC Administrative Tribunal, FC Tax Authority, FC Food Subsidy Programme, FC National Statistical System.

15). The target will be defined as the base percentage for 2007, to which 10% will be added for each one of the following years. For the calculation of the indicator all support to the Government in the form of projects and common funds is considered, as reported in the PAPs-PAF's questionnaire of each year (i.e., the value of the support to the Government, excluding the value of the AGO) as value for the denominator of the ratio (as a percentage). The value for the numerator of the ratio will be the value of this support (projects and common funds) for which tax and import duties may be paid.

For the aggregate matrix: the target will be the average percentage for all PAPs.

Para the individual matrix: the individual percentage of each PAP in 2007 and following years is used, respectively as individual base figure and as targets for the following years. Two points will be attributed to the PAPs that improve by 10% (from the base figure) the percentage of support funds (projects and common funds) for which the individual PAP pays tax and duties. Those PAPs that have already reached at least 90% of the indicator will also receive 2 points, given that the increase by 10% will no longer be possible.

Note: the value in the indicator's numerator is not the value of tax or duties paid, but the value of support that does not impose tax exemption conditions (defined in the bilateral agreement).

16) As to Paris Indicator 10a: Donor field missions are defined as missions that satisfy the following criteria:

- The mission is carried out by or in the interest of the donor, including the consultants contracted by a donor.
- The mission typically involves an international trip, but not exclusively, from the donor's head office.
- The mission requests a meeting with Government officials, including local governments.

This definition should exclude missions carried out by donors with the objective of participating in events (workshops, conferences, etc.) who do not request meetings with Government officials. High-level political visits (President, Minister, Deputy-Minister, Members of Parliament) will also be excluded. A mission consists of one or more people who participate in the same mission at the same time. For example, the following will be considered missions, provided they satisfy the above-mentioned criteria: country officer visits (desk officer), visits to prepare private sector loans, annual/bilateral consultation visits, analytical study missions, audit missions, cooperation assessment missions, missions for the preparation of project evaluations, etc.

The coordinated missions are the following: (i) missions carried out together by one or more donors, or (ii) missions carried out by one donor in the interest of another donor (delegated cooperation), or (iii) missions financed together by two or more donors. Due to calculation aspects, points will also be attributed to those PAPs that have less than 7 missions. The PAPs with more than 7 missions will be evaluated in

agreement with the above-mentioned joint definition. The information will be evaluated on the basis of a list of missions to be prepared by each PAP.

The score of this indicator is augmented to reflect the importance of this indicator for the Government. The PAP that satisfies the target receives 2 points.

17) As to Paris indicator 10b: Country Analytical Work (CAW) comprises the necessary analysis and opinion to strengthen the political dialogue, prepare and implement national strategies in support of vigorous development aid. Good analytical work is essential for the preparation of objective development policies and programmes. It should include the main components of analytical work, such as:

- Diagnostic analyses (e.g., National Procurement Evaluation Report, Assessments of the Financial Responsibility of the country, etc).
- Country or sector studies and strategies.
- Country or sector assessments.
- Transversal analyses, such as gender assessments.

Coordinated analytical work of the country is the following: (i) Country Analytical Work (CAW) done together by one or more donors; (ii) the CAW carried out by one donor in the interest of another donor (including work done by one and/or another donor when it is co-financed and formally recognised in the official documentation); (iii) the CAW carried out with substantial Government involvement. The PAPs that do not do any analytical work should not receive points. For the PAPs that prepare analytical work the assessment will be carried out on the basis of the defined target.

19) As to Paris Indicator 6: The Projects Implementation Unit (UIP) is considered parallel when it is created outside the institutional structures existing in the country. Parallel UIPs share the following characteristics:

- The parallel UIPs render accounts to the external financing agencies, rather than to the national implementing agencies (ministries, departments, branches, etc.). The terms of reference for the externally contracted staff are more determined by the donor than by the implementing agencies of the country.
- Most of the parallel UIPs' professional staff is indicated by the donor in prejudice of the national implementing agencies.
- The parallel UIPs' staff salary scale frequently exceeds the state administration's scale.

A list of the UIPs will be prepared until the end of each year.

20) As to Paris Indicator 4: Technical cooperation (CT) (also referred to as technical assistance - AT) is the supply of know-how in the form of staff, training, investigation and related expenditure. The list of coordinated programmes that satisfy all the following criteria will be established annually:

- Capacity development programmes in support of the partners' national development strategies.

- The partner country exerts effective leadership of the donor-supported capacity development programme. This implies clear communication about the objectives on the part of the country's senior officials.
- The donors integrate their support into the country's pilot programmes to strengthen capacity development.
- When more than one donor is involved, mechanisms should exist to coordinate the contributions of each donor. This includes, for example, mechanisms for joint technical assistance (see example below).
- The AT/CTs should be of a programmatic character, in agreement with the Paris definition, with the exception of a few AT/CTs that are analysed on a case by case basis.
- Formal agreements (e.g., a MoU) should exist to coordinate the donor contributions in cases in which there is more than one donor providing CT in a sector.

With these changes in the indicators and weighting factors, the maximum total number of points continues 43.