

Joint Review of PARPA implementation

Joint donor programme review and PRSC appraisal

Background

1. The new MoU for Programme Aid outlines that dialogue and monitoring around the PARPA will take place between GoM and PAPs. It requires a 'Joint Review' to take place in March/April, in order to fit in with Government's monitoring, planning and budgeting cycle. The review will be carried out jointly by the Government of Mozambique (GoM), budget support donors and the World Bank (Programme Aid Partners or PAPs).
2. During 2003 the Government of Mozambique (GoM) has undertaken intensive cross-governmental work to develop a common performance assessment framework (PAF) that captures the Government's priorities across the areas of the PARPA and can serve as a common basis for dialogue and monitoring with Programme Aid Partners (PAPs). In addition, the Government has upgraded the Balanço de PES reporting on 2003, so that it can more effectively be used as an instrument for monitoring PARPA implementation, including in PAF priorities. The alignment of dialogue and monitoring with these government instruments and the government cycle, harmonisation among donors and links being drawn with sector planning and monitoring represent significant and positive departures from past practice. It will, over time, strengthen national planning and accountability and reduce the burden on Government of dealing with a range of separate but overlapping donor review processes.
3. The review is a broad review of PARPA implementation with a focus on the planning instruments of the PES, PAF and budget (OE) and the monitoring instruments of the Balanço de PES and Budget Execution Report. It will also refer to and use the medium term planning instruments (the PARPA and CFMP) and monitoring instruments (including the Household Survey). The review will not undertake new analysis but will reflect on and add value to analysis undertaken by GoM in the Balanço de PES and by GoM and donors in the context of working groups.
4. The 2004 review is scheduled to take place over the period 24 March-6 April. This is a special year, as we face transition to a new, unified process. There will be problems related to this transition, and the review process will therefore include an integral learning element to ensure that emerging lessons are assimilated and that the process is refined and improved for the future.

Objectives

5. The overall objective of the Joint Review (JR) is to provide a joint (GoM, donors and World Bank) assessment of PARPA implementation and progress against MDGs.

6. Specific objectives of the review are to assess performance in 2003, focusing on the PES/PAF and budget (OE), assess achievement of MoU objectives, aid effectiveness commitments and programme implementation in 2003, agree a 2004 PAF, and indicative PAF and key issues for 2005-06.

Outcome

7. The outcomes of the JR will be

- An agreed assessment of GoM performance in PARPA implementation in 2003, in particular of 2003 PES, PAF and budget execution
- An agreed assessment of GoM and PAP performance in 2003 against MoU objectives, aid effectiveness commitments and programme implementation
- An agreed view on the 2004 PES and budget and an agreed 2004 PAF
- An agreed indicative PAF for 2005-06, and shared views on key issues that should be addressed in the PES 2005-06 and reflected in the updating of the CFMP

8. In all cases, 'agreed' means agreed between GoM and PAPs (budget support donors and the World Bank).

9. The assessment or performance against the PES/PAF will provide the basis for decisions on donor support and commitments of budget support in 2005 (made for most donors within 4 weeks following the review) and on the World Bank's PRSC (which will go to the Board in June), as set out in the new MoU.

10. The conclusions of the assessment will be taken forward in the dialogue between GoM and PAPs on the preparation of the CFMP and the PES and OE for 2005, including at the mid-year review in August.

There will be a 'learning' element that will provide a baseline for monitoring achievement of MoU objectives and aid effectiveness commitments, as well as recommendations for improving the process of implementing the MoU in the future (see Annex 4 for ToRs). There will also be an assessment of implementation of the programme, on the basis of an audit of flow of Programme Aid funds in 2003.

Outputs

11. The above outcomes will be consolidated into a jointly agreed GoM-PAP 'Aide Memoire' (15-25 pages) consisting of a summary of conclusions and recommendations and an annex reflecting the findings in the different thematic groups covering cross cutting areas and priority sectors (technical teams will be expected to produce 3-4 page reports as an input to this). The Aide Memoire will be considered and agreed by the end of the JR (with the

final version being available, following write up and editing, within one week of the end of the JR).

12. The team working on the benchmarking and assessment of the achievement of MOU objectives and aid effectiveness commitments will produce a report for GoM and PAPs (see Annex 4 for ToRs).

Monitoring and Dialogue Process

13. In the new MoU, the PES, PAF and OE and their monitoring instruments (Balanço de PES and Budget Execution Report) are identified as the focus for dialogue and monitoring. These will be set in the context of the medium term instruments of the PARPA and CFMP.

14. The PAF has a special role because it represents a short and clear, prioritised list of government commitments across the range of areas identified as important for poverty reduction, and because it can be used as a common, transparent tool for focusing dialogue, assessing performance and providing the basis for increased predictability of PAP responses. The PAF will increasingly be developed through cross-governmental dialogue, as part of the PES process and used as a multi-annual document that is revised each year to reflect GoM priorities as identified during the PES process. It is expected, that the PES and PAF process will feed also into the process of updating the PARPA for 2006-2010.

15. However, the transitional nature of the 2004 JR means that there are several methodological problems which need to be taken into account when assessing 2003 PAF/PES performance:

- The 2003 PES does not fully represent a prioritised, monitorable list of GoM commitments
- The 2003 PAF was put together through cross-governmental prioritisation during 2003, after the 2003 PES process
- In some cases, the lack of integration between the PES and sector plans means that the context and wider commitments that are behind the PAF priorities need to be drawn from a range of plans and monitoring instruments.

16. In addition, the PES is still a document under improvements. It is not yet an annualised materialization of the PARPA commitments. It also still needs to be coordinated with the budget.

17. The JR will draw on reviews that have taken place or are taking place simultaneously in crosscutting areas and priority sectors. The central document will be the Balanço de PES. The JR should add value to the assessment that GoM has done in the Balanço de PES of performance in 2003, allowing discussion of this assessment and complementing it with additional monitoring information where relevant. In principle no new in depth studies or analysis are supposed to take place in connection with the review. Poverty and equity will be addressed as central to all teams.

Assessing 2003 PARPA implementation, focusing on PES/PAF performance

18. The review will:

- Assess specifically progress towards achieving the indicators and targets in the 2003 PAF.
- Assess progress in meeting the PAF 'objectives' and 'strategic objectives'.
- Make a broader based assessment of PARPA and PES (and, where relevant, other sector commitment) implementation in 2003
- Assess budget execution during 2003
- In all cases, the assessment will be based on the Balanço de PES, drawing as necessary on relevant sectors reviews.

Benchmarking and assessment of achievement of MoU objectives, GoM and PAP aid effectiveness commitments and programme implementation in 2003

19. The review will benchmark and assess achievements of MoU objectives GoM and PAP performance against aid effectiveness commitments as outlined in the draft new MoU (Section 2 & 4). GoM's commitment to proper implementation of programme will be assessed on the basis of the audit reports of Programme Aid.

Agreeing PAF 2004 priority actions and indicators

20. As this is a transitional year, the 2004 PAF still needs to be finalised (normally the PAF for the current year should have been provisionally agreed by the end of August and finalised in December of the previous year). This process needs to take account of the fact that the 2004 PES has already been approved by Parliament. The 2004 PAF has to some extent already been the result of cross-governmental dialogue during the process of finalising the 2004 PES. For this reason there is greater integration between the 2004 PAF and PES than in 2003. However, it is recognised that the PES process is still inadequate at capturing GoM commitments and that there may therefore be priority commitments in the PAF that are not fully drawn from the PES.

21. The work on 2004 will therefore include:

- Discussion of the PES, PAF and OE for 2004 including overall allocation to priority sectors and extent to which it reflects PARPA commitments and a long-term poverty reduction strategy.
- Final agreement of the limited set of critical indicators and targets to be included in the PAF 2004.

Agreeing indicative targets and indicators for 2005 and 06 PAF and discussing key issues for the CFMP and 2005-06 PES and OE

22. Discussions on 2005-06 need to respect the fact that the PES and OE for these years have not yet been defined. Whilst it is useful to preliminarily agree the PAF for 2005 and 2006, in order to provide the medium term context, it must be recognised that these are indicative indicators that will be updated each year as part of the PES process (including the process of taking into account views of civil society and Parliament). In addition, the review should not be prescriptive about what should be in the 2005 and 2006 PES and OE, but rather provide guidance on key issues to be addressed.

23. The work on 2005-06 will therefore include:

- Agreement of indicative 2005 and 2006 PAF
- Discussion of CFMP for 2005-06, including overall allocation to priority sectors and extent to which it reflects PARPA commitments and a long-term poverty reduction strategy.
- Discussion of critical issues that the government should seek to address in the 2005 and 2006 PES and OE

Participants

24. The participants in the review will be Government officials at technical, management and political level, and donor and World Bank representatives at technical, management and political level, from the local representations and from headquarters.

25. The below mentioned thematic group and technical teams will mainly be constituted by GoM and PAP representatives from both local representations and headquarters at a technical level, while the overview and conclusion sections will be attended by management and political representatives from the review partners.

Roles and Responsibilities

26. The Review will involve a Steering Group, thematic groups and technical teams:

- **Steering Group**: Will coordinate the review and bring together inputs into a broad discussion on PARPA (particularly focused on PES/PAF and OE) performance and plans. The Steering Group is composed of the GoM, budget support donor troika (DFID, Swiss Cooperation and Danida), the EC and the World Bank (see Annex 1 for members).
- **Thematic Group**: Will assure an overview in each area of the review, drawing the links within each thematic area. Will report on the overall findings and recommendations of the thematic group. There will be 7 thematic groups, each with thematic group co-leaders (including GoM and PAP representatives).

- **Technical Teams:** Each Thematic Group will be divided into technical teams that will undertake the work on each more specific area within the theme. Teams will consist of a limited number of donor representatives, World Bank staff and GoM officials, and will have a team leader or co-team leaders from GoM and/or PAPs. See Annex 1 for team lists. Basic team assessment questions are attached (see Annex 2). Each team will be responsible for customising these ToRs to meet their specific circumstances.

Timetable

27. Team members should be agreed by 2 March. Teams should meet as soon as possible, at least virtually, and define their specific ToRs by 5 March. The JR Steering Group and representatives of the thematic groups will meet to agree work planning and timetables by March 12. Preparatory work will take place 5-24 March. The formal review will begin on 24 March.

28. Teams will hold meetings in the mornings and write up a summary of the day (what was discussed, what was agreed, what would be discussed the next day, any foreseen problems). Teams will debrief in the thematic groups at 1400 each day at locations specified in Annex 1. These sessions are open to observers. Thematic group leaders will debrief the Steering Group at 1600 each day at the World Bank. The 1400 meeting will be open sessions to which non-technical team members can attend. The 1600 meeting will be more operational and therefore will be restricted to thematic group leaders and the Steering Group.

29. Teams will provide a debrief to GOM management and HoMs/HoCs on assessment of PARPA implementation and aid effectiveness in 2003 on 26 March and on their forward looking assessment of 2004 and 2005-06 on April 1. PAP decision makers (including from headquarters) and GOM management must be available to attend meetings on April 1-6.

30. The workplan is shown at Annex 3. Key dates include:

- **March 24, 2004:** Review begins. Final agreements on review program and schedule, beginning of meetings.
- **March 26, 2004:** Completion of 2003 PES/PAF performance and aid effectiveness assessment. Presentation to GOM management, HoMs/HoCs.
- **April 1, 2004:** Completion of discussions, including of 2004 PAF as well as on indicative PAF for 2005-06. Briefing of HoMs/HoCs on PES/PAF performance and aid effectiveness assessment in 2003 and 2004(-06) PAF from 0900-1100. Presentation to GOM management from 1100. Agreement between HoCs (represented by troika and EC), Bank Resident Representative and GoM management of PES/PAF

performance and aid effectiveness in 2003 and 2004(-06) PAF.
Distribution of draft Aide Memoire.

- **April 2, 2004**: Negotiations of Draft Aide Memoire with Minister of Finance.
- **April 5, 2004**: Joint Review. Presentation and formal agreement of joint assessment and Aide Memoire.
- **April 6, 2004**: Closing of Joint Review, conclusions, handing over PAP chair.

Links to the JSA

31. It will be important that some JR team members are able to interact with the two-member Bank and Fund team responsible for undertaking the Joint Staff Assessment (JSA) of the PARPA over the period 26 February-12 March. The JSA is a formal requirement of the Boards of both institutions. The focus of the JSA is less extensive than the JR, and is provisionally intended to concentrate on the following areas:

- Poverty issues
- Education
- Health
- Decentralisation
- Roads

32. The Bank and Fund are keen to ensure that the JSA does not pre-empt or duplicate the work of the JR. To this end, the JSA will be a scene-setter to be used to identify issues for more detailed examination during the review. The work involved for donor team members in inputting into the JSA will be relatively light, and may include an initial briefing meeting, a half-day or so of meetings on a number of specific sectors or cross-cutting issues, and a wrap-up session.

Annex 1: Steering Group, Thematic Group and Technical Team membership

Thematic group	Technical Team	Other review processes	World Bank	Donors ¹	GoM	Place of the Meeting
Steering Group			Darius Mans Antonio Franco Johannes Zutt	Eamon Cassidy Nick Highton Telma Loforte Thomas Thomson Sylvie Milliot	2 GoM officials	
1) Poverty overarching issues	Macroeconomic growth and stability		Antonio S. Franco Peter Moll	Nick Highton (DFID), Julius Schlotthauer (USAID)		
	Poverty discussions (including equity and household survey results).			Bridget Walker Muiambo (Ireland)		
	Poverty monitoring and evaluation systems		Jody Kusak Diana Masone	Melanie Speight (DFID)		
2) Public finance management	Tax reform and central revenue authority		Antonio S. Franco Peter Moll	Telma Loforte (Switzerland)		
	Budget and budget execution			Anton Johnston (Sweden)		
	Procurement reform	NB to be assessed within PSR review	Slaheddine Ben-Halima Manuel Sumbana	Carsten Sandhop		

¹ In some cases this section **Only** includes team facilitators for each group.

			Marcos Ozorio de Almeida	(Germany)		
	SISTAFE: public financial management, fiduciary, and internal and external audit of public finances.	SISTAFE review (Quality Assurance Group review)**	Gert van der Linde, Harry Garnett José Luis Macamo	Sylvie Milliot (EC), Thomas Thomsen (Denmark)		
3) Governance	Public sector reform, anti-corruption, decentralization and district planning, "quick wins"	Public Sector Reform wider review*	Jose Luis Macamo Lance Morrel Aniceto Bila	Sweden, Denmark, DFID		
	Legal and judicial reform		Johannes Zutt and Alberto Ninio	Nina Berg, USAID		
4) Private sector development/investment climate	Financial institutions law, bank supervision, and IAS		Michael Fuchs Antonio S. Franco	Lars Ekman (Norway)		
	Regulatory environment, business registration, labor law, licensing, and Trade		Gilberto de Barros	USAID		
	Agricultural and rural development		Jeeva Perumalpillai-Essex Eduardo de Sousa Daniel de Sousa			
	Infrastructure services		JuanNavas-Sabater Abdelmoula Ghzala	Italy (?)		

	<ul style="list-style-type: none"> • Telecommunications • Roads • Ports and railways • Energy • Environmental regulations 		Anil Bhandari Reynold Duncan Sérgio Margulis			
6) Service delivery	HIV/AIDS	HIV/AIDS review of CNCS pool	Jacomina de Regt Caroline Forkin			
	Health care		Chris Walker Jean-Jacques de St. Antoine Caroline Forkin			
	Education		Alexandria Valerio Noel Kulemeka			
	Water and sanitation		Jane Walker Cathy Revels Joseph Narkevic			
7) Programme implementation				Telma Loforte (Switzerland), Jolke Oppenwal (The Netherlands)		
8) Benchmarking/ learning assessment				Consultant / SPA?		
Operational issues and advice			Richard Cambridge Mohua Mukherjee			
Secretariat			Lurdes Malate	Debora Marignani		

*The Public sector review to be held during March 22-April 2, 2004. A debrief of findings will be produced and included in the PRSC/PAF documents. **The SISTAFE QAG to be held during March 29-April 2, 2004. A brief findings presentation will be made and included in the PRSC/PAF documents.

A Fiduciary risk assessment will take place [dates]. Results will feed into cross-cutting reforms assessments.

Annex 2: Team Assessment Basic Questions

Teams should produce a 3-4 page report on their findings.

The basic questions which the assessment teams should answer are:

Assessment of 2003

- Have the 2003 PAF indicators or targets in your area been met? What are the areas of good and poor performance?
- How would you assess GoM performance against 2003 PAF 'strategic objectives' and 'objectives' in your area? What are the areas of good and poor performance?
- What other commitments in your area do you consider key to understanding GoM performance during 2003 (e.g. from the PES, PARPA, sector plan)? How would you assess GoM performance against these commitments?
- How would you assess budget execution?
- Taking the above questions, what are the major areas of concern?

Agreement of 2004

- Do the objectives, indicators and targets identified in the draft 2004 PAF reflect the key priorities in your area?

- Do they take into account existing capacity?
- How far will the priorities identified address areas issues arising from the review of 2003? Will they contribute to further success in areas of good performance in 2003 and address areas of poor performance?
- How far are the OE and PES for 2004 consistent with the PARPA and CFMP and with each other?

Discussion of 2005-06

- Do the objectives, indicators and targets identified in indicative 2005-06 PAF reflect the key priorities in the area? Do they take into account existing and potential capacity? How far will the priorities identified contribute for further success in areas of good performance in 2003 and address areas of poor performance? How far are they consistent with the CFMP?
- What key issues should recommended to be addressed in the PES and OE 2005 and 06?

[Teams should also answer the following process question:

- What is the full collection of statements of Government plans and priorities in your area? How consistent are they with one another? In particular, how consistent is the PAF 2003 and 2004 with the PES and other plans? To what extent does the PAF reflect Government priorities, as evidence by the emphasis of Government work and resources flows? How could the future PES, PAF and planning processes deal with inconsistencies and concerns about the prioritisation process leading to the PAF? How far does the M&E system provide information on performance against the PES and PAF? Is the CFMP used as a meaningful instrument? What is the process needed for alignment of planning and monitoring?]

Annex 3: Workplan

To be added

Annex 4: ToRs for learning assessment of review process

To be added