



# 2006 Survey on Monitoring The Paris Declaration

## Country Chapters

### EGYPT

**T**he 2006 Survey on Monitoring the Paris Declaration was undertaken in 34 countries that receive aid. The results of the survey are presented in two volumes. **Volume 1** provides an overview of key findings across 34 countries. **Volume 2** presents the baseline and key findings in each of the 34 countries that have taken part in the survey. This chapter is based primarily on the data and findings communicated by government and donors to the OECD through the Paris Declaration monitoring process. A more detailed description of this process, how this chapter was drafted and what sources were used is included in Volume 1, Chapter 2.

Both Volume 1 (Overview) and Volume 2 (Country Chapters) of the 2006 Survey on Monitoring the Paris Declaration can be downloaded at the OECD website:

[www.oecd.org/dac/effectiveness/monitoring](http://www.oecd.org/dac/effectiveness/monitoring)

A second round of monitoring will be organised in the first quarter of 2008 and will be an important contribution to the Accra High-Level Forum on Aid Effectiveness in September 2008.

# 12 EGYPT

EGYPT IS A COUNTRY OF 69 MILLION PEOPLE, with an average annual income of USD 1 310 per person (gross national income per capita, 2004). According to the latest survey, conducted in 1999-2000, 3% of the population lived below the dollar-a-day international poverty line, with 44% falling below the two-dollars-a-day threshold. In 2004, net official development assistance (ODA) was USD 1 458 million, a volume of aid that amounted to 1.9% of gross national income (GNI). Egypt has endorsed the Paris Declaration on Aid Effectiveness. Fourteen donors have responded to the 2006 baseline survey; together, they provided at least 79% of the country's ODA in 2005.

DIMENSIONS	BASELINE	CHALLENGES	PRIORITY ACTIONS
Ownership	Moderate	Lack of clarity about relationship between long-term vision and medium-term strategies.	Improve processes for budget preparation and implementation.
Alignment	Low	Donors do not regard public financial management and procurement systems as reliable.	Donors need to phase out tied aid. Government needs to strengthen country systems.
Harmonisation	Moderate	Low proportion of donor missions are co-ordinated.	Donors should improve co-ordination of their missions.
Managing for results	Low	Lack of poverty-related data, and monitoring and evaluation systems.	Refine all elements of managing for results.
Mutual accountability	Low	Joint assessment framework is not in place.	Establish joint assessment framework and conduct mutual assessment.

OVERVIEW  
Box 12.1  
Challenges  
and priority  
actions

## OWNERSHIP

OWNERSHIP IS CRUCIAL TO AID EFFECTIVENESS and good development results, and is central to the Paris Declaration. It has been defined in terms of a country's ability to exercise effective leadership over its development policies and strategies. Achieving this is not a simple undertaking, especially in countries that rely heavily on aid to finance their development. Nor of course, can it be measured by a single indicator. Indicator 1 provides an entry point to the issue of ownership, focusing in particular on whether or not a country has an operational development strategy so that donors can align their development assistance.

## OPERATIONAL DEVELOPMENT STRATEGY

The World Bank's review of the Comprehensive Development Framework, carried out in 2005, gives Egypt's development strategy a rating of D, along with 31% of the sampled countries. This assessment is made on the basis of a range of criteria: whether the country has a long-term vision, with a medium-term strategy derived from that vision; whether there are country-specific development targets with a holistic, balanced and well-sequenced strategy; and whether there are the capacity and resources for implementation.

INDICATOR 1

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The World Bank's Aid Effectiveness Review (AER) for 2006 sheds light on the extent to which Egypt has an operational development strategy. Egypt's long-term vision is called "Vision for Egypt's Development by 2022". Its two main goals are to achieve high and sustainable growth, and to reduce poverty and income disparity. The country's medium-term strategy is set out in the fifth Five-Year Plan for Socio-Economic Development, which covers the period 2002-07. This is the main tool to guide expenditure planning. The government has set up a programme of structural reforms and economic liberalisation, in line with the Five-Year Plan.

Given the World Bank criteria for ratings, and considering the progress reported by Egypt and the World Bank, the D rating does not do credit to Egypt's current development status. In terms of Parliament's impact on finances, currently the draft budget is tabled with the Budget Committee of Parliament and is usually subject to intensive debate by members, with the Minister of Finance appearing before the committee to respond to questions. Then, the budget goes to Parliament for further discussion and approval.

A series of National Democratic Party policy papers provides a more detailed framework for the reform agenda: sector strategies and initiatives describe how goals set out in the Five-Year Plan will be met in the areas of health, environmental issues and education. The AER applauds the fact that the Five-Year Plan provides a broad framework for achieving the Millennium Development Goals (MDGs).

In terms of capacity and resources for implementing the country's development plans and strategies, the AER reports that the annual budget is geared to reaching the goals of the Five-Year Plan, with annual plans bringing the broader goals to life and guiding annual budget allocations. This, says the AER, ensures alignment between the Five-Year Plan and the annual budget. The government is making concerted efforts to improve budget preparation and implementation, and has completed a pilot initiative aimed at establishing a performance-based budgeting system in the education and health sectors.

#### OTHER ASPECTS OF OWNERSHIP

The World Bank's Aid Effectiveness Review describes how the government, through the Ministry of International Cooperation, takes the lead in co-ordinating development assistance.

In examining participation by other stakeholders, the picture is mixed. Mechanisms have been established for private-sector consultation, but the AER makes no mention of civil-society engagement. The survey response concurs that more needs to be done to engage civil society in consultations about development priorities. As for Parliament, although it debates and approves the Five-Year Plan, there is room for greater impact on budget allocations.

The government recently established a National Council for Planning, bringing together the ministries of Finance, Economic Development and International Cooperation to define development priorities and set up operational development plans. A meeting of donors and government representatives recommended the establishment of a national forum that includes representatives of civil society, private sector and legislative bodies to review national priorities. These important efforts will need to be sustained if Egypt is to reach the 2010 target of a B rating for its operational development strategy.

## ALIGNMENT

FOR AID TO BE EFFECTIVE, it must be aligned with national development strategies and plans. Indicators 2 to 8 of the Paris Declaration examine a number of dimensions in assessing the degree of alignment attained. Egypt's ratings for alignment reveal that serious effort is needed across the board if the 2010 targets for alignment are to be met.

### BUILDING RELIABLE COUNTRY SYSTEMS

Egypt receives a rating of 3.0 for the quality of its public financial management (PFM) systems, marginally below the average of 3.2 for all countries rated in the World Bank's Country Policy and Institutional Assessment. The 2010 target for Egypt is to attain a score of 3.5 for its PFM systems.

INDICATOR 2a

The World Bank's Aid Effectiveness Review lauds the significant advances in improving public financial management since mid-2004, as rationalising public expenditure has been a priority in the government's reform agenda. Egypt has proven its ability to enhance budget transparency and implement elements of the government's Financial Management Information System.

Egypt's procurement systems are not rated, and therefore no 2010 target is set. While donors and government agree that the procurement system is well designed, they are exploring a series of measures to improve application and minimise variations among ministries, including the publication of procurement guidelines. Egypt ranked 70th out of 159 countries in the Transparency International Corruption Perceptions Index for 2005; the government has signalled its intolerance for corruption and is working hard to tackle it.

INDICATOR 2b

### ALIGNING AID FLOWS ON NATIONAL PRIORITIES

Indicator 3 seeks to assess the degree to which aid flows are aligned with national priorities, using the proportion of aid which is recorded in the budget as a proxy. The baseline survey for Egypt shows 58% of aid as recorded in the national budget.

The table above provides government's budget estimates of aid flows for fiscal year 2005 (FY05/06) numerator as a percentage of aid disbursed by donors for the government sector for the same period (denominator). This ratio tells us the degree to which there is a discrepancy between budget estimates and actual disbursements. The discrepancy can be in two directions: indeed budget estimates can be either higher or lower than disbursements. In order to have a single measure of discrepancy that is always less than 100%, the ratio is flipped when budget estimates are higher than

Are government budget estimates comprehensive and realistic?

	Government's budget estimates of aid flows for FY05 (USD m) a	Aid disbursed by donors for government sector in FY05 (USD m) b	Baseline ratio* c=a/b (%) c=b/a
African Dev. Bank	11	13	89%
Canada	4	13	31%
Denmark	0	11	2%
European Commission	49	201	24%
Finland	1	3	25%
Germany	44	102	44%
Global Fund	--	1	
Italy	1	52	2%
Japan	22	75	30%
Netherlands	5	7	71%
Switzerland	3	10	34%
United Nations	6	27	24%
United States	374	350	94%
World Bank	54	133	41%
(Unallocated donors)	5	--	
<b>Total</b>	<b>581</b>	<b>998</b>	<b>58%</b>

\* Baseline ratio is  $c = a / b$  except where government's budget estimates are greater than disbursements ( $c = b / a$ ).

INDICATOR 3  
Table 12.1

disbursements. The baseline value for Indicator 3 in Egypt is 58%. Achieving the target agreed in Paris of 79% (halving the gap) for this indicator will require concerted efforts by donors and government.

The qualitative response to the baseline survey provides a number of reasons which might explain the gap between disbursements reported by donors and aid recorded in the budget. These include: differences in fiscal years used by donors and government; differences in reporting systems and methods; the fact that conditionalities may not have been met in time to allow disbursement; the tendency of some donors – despite government requests – to release aid directly to non-governmental organisations (NGOs) or the private sector rather than through the budget; and the inclusion of in-kind assistance and technical co-operation in donor statistics. For these reasons, it is not realistic to expect a very high value of this indicator as the only means of showing good alignment of ODA with national priorities.

As a result of recent consultations with key sources of information on ODA in Egypt, a committee has been set up to identify causes of disparity and narrow the gap by reviewing definitions, procedures and time frames. Meanwhile, the Minister of International Cooperation has written to all donors asking them to notify the government of all ODA disbursed, including funds destined to NGOs directly. This will allow the national ODA figures to be more inclusive and more accurate.

Efforts to improve aid alignment, by classifying ODA-funded projects according to national development priorities, are welcome. However, to make progress in terms of this indicator, donors should – as Italy's response to the survey emphasised – provide more timely, transparent and comprehensive information on aid flows, while national authorities should establish more credible annual budget estimates that accurately reflect aid flows. This advice will help participants to come closer to the 2010 target of 79% of aid being reported in the national budget.

INDICATOR 4  
Table 12.2

How much technical assistance is co-ordinated with country programmes?

	Co-ordinated technical co-operation (USD m) a	Total technical co-operation (USD m) b	Baseline ratio (%) c=a/b
African Dev. Bank	0	0	0%
Canada	0	11	0%
Denmark	2	2	100%
European Commission	27	54	50%
Finland	0	3	0%
Germany	8	11	68%
Global Fund	0	0	--
Italy	2	2	97%
Japan	1	8	10%
Netherlands	1	1	100%
Switzerland	0	2	9%
United Nations	19	23	80%
United States	186	191	97%
World Bank	0	13	0%
<b>Total</b>	<b>245</b>	<b>321</b>	<b>76%</b>

#### CO-ORDINATING SUPPORT TO STRENGTHEN CAPACITY

Under the Paris Declaration, donors are committed to providing a greater proportion of their technical assistance in a manner that is co-ordinated with country programmes. For Egypt, the baseline survey reports that 76% of technical assistance is co-ordinated with country programmes. Such a figure is well in excess of the 2010 target of 50% and – if an accurate reflection of realities on the ground – would put Egypt far ahead of the vast majority of aid recipients on this count. But, as the response to the baseline survey notes, there may be a real difference between the inclusion of technical co-operation in signed agreements, and the operationalising of such co-operation. Respondents also underlined that, while co-ordinating technical assistance is important, the impact and sustainability of such assistance is equally important.

INDICATOR 5  
Table 12.3

How much aid for the government sectors uses country systems?

	Aid disbursed by donors for government sector (USD m) a	Public financial management				Procurement	
		Budget execution (USD m) b	Financial reporting (USD m) c	Auditing (USD m) d	Baseline ratio (%) avg (b,c,d) / a	Procurement systems (USD m) e	Baseline ratio (%) e / a
African Dev. Bank	13	0	0	0	0%	0	0%
Canada	13	0	0	0	0%	0	1%
Denmark	11	10	0	0	29%	0	0%
European Commission	201	144	144	144	72%	144	72%
Finland	3	0	0	0	0%	0	0%
Germany	102	95	95	95	93%	--	--
Global Fund	1	0	0	0	0%	1	100%
Italy	52	0	32	0	20%	27	52%
Japan	75	18	18	18	24%	15	20%
Netherlands	7	4	0	0	20%	4	57%
Switzerland	10	9	9	9	90%	9	90%
United Nations	27	4	0	0	5%	1	2%
United States	350	0	0	0	0%	33	9%
World Bank	133	0	0	0	0%	15	11%
<b>Total</b>	<b>998</b>	<b>283</b>	<b>297</b>	<b>265</b>	<b>28%</b>	<b>249</b>	<b>25%</b>

The World Bank's Aid Effectiveness Review for 2006 notes that "a coherent national capacity building strategy is not in place", a statement that brings into question the extent to which technical assistance really is aligned with Egypt's capacity-building needs. Strengthening capacity is a major concern and priority of the government, with substantial needs in human, organisational and broader institutional capacity.

The figure in the table seems to overestimate the percentage of co-ordinated technical assistance. Donors and government agree that the mere inclusion of technical assistance in agreements signed by both sides does not *per se* constitute effective co-ordination. More consultations between donors and government are necessary to translate the intended co-ordinated technical assistance into an operational mode.

#### USING COUNTRY SYSTEMS

The Paris Declaration encourages donors to make increasing use of country systems for public financial management and for procurement, where these are of sufficient quality to merit their use. The baseline survey for Egypt reports that 28% of aid makes use of PFM systems, averaged across the three components. For procurement, 25% of aid makes use of country systems. No targets are set for 2010, for the use of either PFM or procurement systems, because the quality of Egypt's national systems has not been rated.

Donors want to know how the budget is formed, where the money goes and how it is spent. In response, the government – with the support of the International Monetary Fund, USAID, the European Union and the World Bank – has launched an initiative to reform its PFM systems, designed to narrow the gap between the country's systems and international best practice. Steps have been taken to improve the budget process and more are being planned to meet international standards. For example, hundreds of treasury accounts have been unified into a single account as part of a streamlining process. If these efforts are successful, then donors should be more willing and able to make use of the country's systems.

## AVOIDING PARALLEL IMPLEMENTATION STRUCTURES

The Paris Declaration calls for a substantial reduction in the number of project implementation units (PIUs) that are parallel in the sense that appointment decisions and accounting relationships involve the donor alone. According to the baseline survey, donors have established 100 parallel PIUs in Egypt. Multilateral agencies account for the majority of these.

The persistence of PIUs may be due to a perception held by some donors that country capacity to implement projects is limited. Such perceptions are sometimes held particularly firmly by donors' headquarters. (Egypt's largest ODA source, USAID, considers itself an implementing agency that works closely with various government ministries and hence should not be regarded as a parallel PIU, since "government has a say in service delivery, choice of contractors and other operational matters".)

Nevertheless, national capacity to implement projects does require strengthening. A more concerted effort on the part of government to create the conditions in which parallel PIUs can

be phased out is expected. Donors can contribute by providing more specific and effective capacity building. Consultation will make it easier to reach a common understanding and definition of what constitutes a parallel PIU, and to agree on a plan to reduce PIUs within the next few years. Egypt and its partners have far to go if they are to meet the 2010 target of a maximum of 33 parallel PIUs.

## PROVIDING MORE PREDICTABLE AID

If aid is provided in a predictable manner, then recipient countries are better able to plan and make effective use of aid. Indicator 7 seeks to assess the in-year predictability of aid, measuring the proportion of planned disbursements (as reported by donors) recorded by government in the national accounting system as having been disbursed.

The table looks at predictability from two different angles. The first angle is donors' and government's combined ability to disburse aid on schedule. In Egypt, donors scheduled USD 1420 million for disbursement in 2005 and actually disbursed – according to their own records – significantly less than expected (USD 998 million). The discrepancy varies considerably among donors and is mainly due to late disbursements carried over to 2005 and to delays in implementing programmes. The second angle is donors' and government's ability to record comprehensively disbursements made by donors for the government sector.

In Egypt, the Ministry of Finance, which is mainly concerned with having complete accounting data on ODA loans (non-complete data for grants) has recorded USD 415 million out of the USD 998 million notified as disbursed by donors (42%). In Egypt, the Ministry of International Cooperation is responsible for monitoring all ODA to Egypt. For fiscal year 2005, it has documented disbursements of USD 936 million, which is closer to and consistent with donor-reported disbursements. The ODA information committee that has recently been formed is looking into ways that would help ensure that the Ministry of Finance also keeps complete data on grant disbursements, through the Ministry of International Cooperation.

INDICATOR 6  
Table 12.4

### How many PIUs are parallel to country structures?

	Parallel PIUs (units)
African Dev. Bank	9
Canada	3
Denmark	0
European Commission	14
Finland	0
Germany	0
Global Fund	0
Italy	9
Japan	0
Netherlands	5
Switzerland	0
United Nations	47
United States	0
World Bank	13
<b>Total</b>	<b>100</b>



INDICATOR 7  
Table 12.5

Are disbursements on schedule and recorded by government?

	Disbursements recorded by government in FY05 (USD m) a	Aid scheduled by donors for disbursement in FY05 (USD m) b	Aid actually disbursed by donors in FY05 (USD m) FOR REFERENCE ONLY	Baseline ratio* (%) c=a/b c=b/a
African Dev. Bank	1	--	13	
Canada	--	0	13	
Denmark	--	13	11	
European Commission	191	234	201	82%
Finland	--	5	3	
Germany	82	104	102	79%
Global Fund	--	2	1	
Italy	7	--	52	
Japan	7	75	75	10%
Netherlands	--	7	7	
Switzerland	3	10	10	30%
United Nations	--	47	27	
United States	123	722	350	17%
World Bank	--	200	133	
<b>Total</b>	<b>415</b>	<b>1 420</b>	<b>998</b>	<b>29%</b>

\* Baseline ratio is  $c = a / b$  except where disbursements recorded by government are greater than aid scheduled for disbursement ( $c = b / a$ ).

Indicator 7 on predictability has been designed to encourage progress against both of these angles so as to gradually close the predictability gap by half by 2010. In other words, it seeks to improve not only the predictability of actual disbursements but also the accuracy of how they are recorded in government systems – an important feature of ownership, accountability and transparency. In Egypt, this combined predictability gap amounts to USD 1005 million (70% of aid scheduled for disbursement). Closing this predictability gap will require donors and government to work increasingly together on various fronts at the same time. They might work at improving:

- the realism of predictions on volume and timing of expected disbursements;
- the way donors notify their disbursements to government;
- the comprehensiveness of government's records of disbursements made by donors.

Against this backdrop, aid predictability in Egypt is made difficult by the lengthy process of obtaining approvals from both donor and recipient country authorities, as confirmed during the recent donor/government meeting. Some donors pointed out that changes in plans and priorities make predictability a challenge. They also explained how Egypt's limited absorption capacity and delays in implementation limit their ability to disburse according to plan. Some UN agencies rely on outside funding to carry out projects included in the overall framework, but such funding is not easily predictable.

As for unscheduled disbursements that are actually made, these can occur when both sides agree on a new project for which no funding was originally set aside, but a donor has managed to secure funding later on. On the other hand, a donor might change priorities. For example, USAID had earmarked USD 200 million in budget support for a private-sector oriented programme but subsequently reallocated the money to another programme, as it felt that the private sector was doing well. Egypt would definitely welcome greater predictability but it is understood that a limited measure of flexibility is also important to meet changing priorities.



## UNTYING AID

### INDICATOR 8

According to OECD data covering 37% of 2004 commitments, 47% of aid to Egypt is untied. (And in fact, some “untied” aid ends up being tied because of donor country procurement practices.) Such a figure demonstrates that there is much room for improvement. Development partners

need to revise their practices. For example, donors should provide more transparency regarding details of agreements covering consultants’ fees and Cairo office budgets. A mutually agreed target for untied aid within a given time frame would provide needed impetus to the process.

## HARMONISATION

Donor fragmentation imposes transaction costs on recipient countries. Indicators 9 and 10 of the baseline survey seek to assess various elements of harmonisation. In Egypt – leaving aside differences of view as to what constitutes a programme-based approach – the picture on harmonisation is somewhat encouraging. There is however room for progress, especially in terms of the co-ordination of donor missions.

### USING COMMON ARRANGEMENTS

If donors use common arrangements for the management and delivery of their aid, this can enhance aid effectiveness. Indicator 9 of the Paris Declaration assesses the use of common arrangements, measuring the proportion of aid delivered through programme-based approaches (PBAs).

In the case of Egypt – while there were some differences of opinion between government and donors as to the definition of a PBA – the figures show that an encouraging 61% of aid makes use of PBAs, with sector support accounting for all of this. This puts the 2010 target of 66% well within reach. It is also worth noting that there are other ways in which donors use common arrangements or procedures, and work towards greater harmonisation, in addition to PBAs.

Donors and government agreed to distinguish three forms: PBAs, non-PBAs and semi-PBAs (in transition to full PBAs). They considered that many of the reported PBAs were likely to be semi-PBAs at best.

### INDICATOR 9 Table 12.6

#### How much aid is programme based?

	Budget support (USD m) a	Other PBAs (USD m) b	Total (USD m) c=a+b	Total disbursed (USD m) d	Baseline ratio (%) e=c/d
African Development Bank	0	1	1	13	8%
Canada	0	0	0	13	0%
Denmark	0	9	9	11	81%
European Commission	144	57	201	201	100%
Finland	0	0	0	4	0%
Germany	0	0	0	105	0%
Global Fund	0	1	1	1	100%
Italy	0	44	44	58	76%
Japan	0	1	1	75	1%
Netherlands	0	3	3	8	40%
Switzerland	0	0	0	10	3%
United Nations	0	20	20	43	45%
United States	0	350	350	355	99%
World Bank	0	0	0	133	0%
<b>Total</b>	<b>144</b>	<b>487</b>	<b>630</b>	<b>1030</b>	<b>61%</b>

## CONDUCTING JOINT MISSIONS AND SHARING ANALYSIS

The baseline survey for Egypt reports that 18% of donor missions were co-ordinated, out of a total of 381 missions. This is some way short of the 2010 target of 40%. More than three-quarters of donor missions were conducted by multilateral donors

Despite donor effort in recent years to co-ordinate their missions, there is still much room for improvement. In addition, resident missions – conducted by donors with a substantial field presence – while often not reported as donor missions, also entail costs for the Egyptian authorities.

Donors perform considerably better when it comes to co-ordinating their country analysis, with a baseline figure of 40% that comes close to the 2010 target of 60%. A praiseworthy example of co-ordinating analysis is provided by the UN's Common Country Assessment. Twenty-three pieces of joint analysis have been posted on [www.countryanalyticwork.net](http://www.countryanalyticwork.net)

### How many donor missions are co-ordinated?

	Co-ordinated donor missions (missions) a	Total donor missions (missions) b	Baseline ratio (%) c=a/b
African Dev. Bank	12	27	44%
Canada	6	15	40%
Denmark	0	2	0%
European Commission	--	--	--
Finland	0	0	--
Germany	18	33	55%
Global Fund	4	4	100%
Italy	0	6	0%
Japan	2	18	11%
Netherlands	0	0	--
Switzerland	2	5	40%
United Nations	42	161	26%
United States	0	0	--
World Bank	20	110	18%
<b>Total (discounted)*</b>	<b>69</b>	<b>381</b>	<b>18%</b>

\* The total of co-ordinated missions has been adjusted to avoid double counting. A discount factor of 35% has been applied.

INDICATOR 10a  
Table 12.7

### How much country analysis is co-ordinated?

	Co-ordinated donor analytical work (units) a	Total donor analytical work (units) b	Baseline ratio (%) c=a/b
African Dev. Bank	2	2	100%
Canada	5	6	83%
Denmark	2	2	100%
European Commission	0	15	0%
Finland	0	0	--
Germany	1	2	50%
Global Fund	0	0	--
Italy	0	0	--
Japan	0	0	--
Netherlands	0	0	--
Switzerland	1	3	33%
United Nations	44	66	67%
United States	0	0	--
World Bank	0	7	0%
<b>Total (discounted)*</b>	<b>41</b>	<b>103</b>	<b>40%</b>

\* The total of co-ordinated analysis has been adjusted to avoid double counting. A discount factor of 25% has been applied.

INDICATOR 10b  
Table 12.8

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## MANAGING FOR RESULTS

THE PARIS DECLARATION recommends that partner countries and donors work together to manage resources on the basis of desired results and use information to improve decision making. This means both strengthening the capacity to undertake such management and helping to increase the demand for a focus on results. Indicator 11 looks at one component of this effort: the establishment of a cost-effective results-oriented reporting and assessment system by the country.

Egypt, along with 54% of the countries assessed, received a rating of D for its reporting and assessment system, as part of the World Bank's 2005 review of the Comprehensive Development Framework. The rating is based on three criteria: the quality of development information, the degree to which stakeholders have access to it, and the extent to which there is a co-ordinated monitoring and evaluation of the country's development efforts.

The World Bank's Aid Effectiveness Review describes the quality and availability of poverty-related data in Egypt as "somewhat weak". However, this description may be tempered by the fact that it did not take into account a recent household survey and the data available in the country's Human Development Reports. In its analysis of stakeholder access to information, the Aid Effectiveness Review underlines that the Five-Year Plan is "available to the public and widely noted". Finally, a co-ordinated country level monitoring and evaluation system is under development.

If Egypt is to attain the ambitious 2010 target of at least a B rating, progress will be needed across the board.

## MUTUAL ACCOUNTABILITY

THE PARIS DECLARATION calls for donors and partner countries to be accountable to each other for the use of development resources, and in a way that strengthens public support for national policies and development assistance. As such, governments need to take steps to improve country accountability systems and donors need to be transparent about their own contributions. This indicator looks at whether there is a country-level mechanism permitting joint assessment of progress in implementing agreed commitments on aid effectiveness, including those in the Declaration itself.

Egypt describes how such mutual assessment of progress has taken place. The Minister of International Cooperation conducts reviews with heads of agencies in Egypt, based on reports received from staff and on changes in national priorities, etc. In addition, review meetings with the Donor Assistance Group and its thematic groups are conducted; these are likely to become

more regular and to be strengthened thanks to more government participation. Meanwhile, the Centre for Project Evaluation and Macroeconomic Analysis has been carrying out impact evaluation assignments since it was established in 2003, and has recently started to help selected line ministries to develop monitoring and evaluation skills. The Centre welcomes joint evaluations: it participated in a Canadian International Development Agency mid-term evaluation of the small and medium enterprise programme last year, and is about to commence joint evaluation with an Italian team to review the environmental support programme.

But, according to the World Bank's Aid Effectiveness Review for 2006, while Egypt has endorsed the Paris Declaration, a joint framework to assess government and donor performance on aid effectiveness is not in place.

## BASELINES AND TARGETS

THE TABLE BELOW presents the 2005 baselines and the targets for Egypt. The baseline values are taken from the discussion above, which draws on various sources of information. The main source is the baseline survey undertaken in Egypt under the aegis of the National Co-ordinator (Fayza Aboulnaga).

INDICATORS	2005 BASELINE	2010 TARGET
1 Ownership – Operational PRS	D	B or A
2a Quality of PFM systems	3.0	3.5
2b Quality procurement systems	Not available	Not applicable
3 Aid reported on budget	58%	79%
4 Co-ordinated capacity development	76%	50%
5a Use of country PFM systems (aid flows)	28%	No target
5b Use of country procurement systems (aid flows)	25%	Not applicable
6 Parallel PIUs	100	33
7 In-year predictability	29%	65%
8 Untied aid	47%	More than 47%
9 Use of programme-based approaches	61%	66%
10a Co-ordinated missions	18%	40%
10b Co-ordinated country analytical work	40%	66%
11 Sound performance assessment framework	D	B or A
12 Reviews of mutual accountability	Yes	Yes

Table 12.9  
Baselines  
and targets

## ACRONYMS

AER	Aid Effectiveness Review
GNI	gross national income
MDG	Millennium Development Goal
NGO	non-governmental organisation
ODA	official development assistance
PBA	programme-based approach
PFM	public financial management
PIU	project implementation unit