



# 2006 Survey on Monitoring The Paris Declaration

## Country Chapters

### CAPE VERDE

**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.

# 9 CAPE VERDE

THE POPULATION OF THE CAPE VERDE ISLANDS numbers just 445 000 habitants. Average per capita gross national income (GNI) in 2005 was USD 1 870, having grown considerably from USD 1 250 in 2002. Some 37% of Cape Verde's population is considered to be living in poverty, the majority of whom (62%) live in rural areas, according to the 2001-02 Household Income and Expenditure/Household Living Conditions. Of the poor, 54% (around 20% of Cape Verde's total population) are considered to be very poor.

In 2005, Cape Verde graduated from the United Nations list of least developed countries, and its preferential treatment under least developed country status is being gradually phased out between now and 2008. Official development assistance (ODA) to Cape Verde in 2004 was USD 140 million, representing 14.9% of GNI. Some 64% of Cape Verde's ODI comes from bilateral donors, of which Portugal is the largest. The donors responding to the 2006 survey accounted for more than 81% of official aid flows to Cape Verde. However, several donors provided incomplete responses to the survey, leaving data gaps in the quantitative findings for several indicators, as they found some questions in the current survey open-ended.

DIMENSIONS	BASELINE	CHALLENGES	PRIORITY ACTIONS
Ownership	Moderate	Medium-Term Expenditure Frameworks and sectoral plans need to be better linked to national budget.	Strong planning processes are undermined by lack of implementation capacity, particularly at municipal levels. Improve budget focus and linkage to Medium-Term Expenditure Frameworks. Strengthen capacity for implementation.
Alignment	Moderate	The majority of donors do not yet use country public financial management or procurement systems.	Continue to increase the use of country systems by donors. Maintain government implementation of reforms to budgeting, financial management and procurement systems.
Harmonisation	Low-Moderate	Donor harmonisation within sectoral approaches remains limited.	Donors should consolidate and deepen sectoral co-operation.
Managing for results	Moderate	Progress is slow in putting Poverty Reduction Strategy monitoring and evaluation system in place due to lack of resources.	Government and donors should commit greater resourcing and technical support to the Poverty Reduction Strategy monitoring and evaluation system.
Mutual accountability	Low-Moderate	No formal mutual accountability mechanism is in place.	Formally establish an accountability mechanism, perhaps based around joint budget support.

OVERVIEW  
Box 9.1  
Challenges  
and priority  
actions

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## OWNERSHIP

### INDICATOR 1

**OWNERSHIP IS CRITICAL** to achieving development results and is central to the Paris Declaration. The Paris Declaration defines ownership in terms of a country's ability to exercise effective leadership and co-ordination of its development policies and strategies. Achieving this – especially in countries that rely heavily on aid to fund their development – is not a simple undertaking. Nor can it be measured by a single indicator. Indicator 1 assesses the extent to which a country has translated its national development strategies into “prioritised, results-oriented operational programmes” with which donors can align their assistance.

Along with 58% of the countries surveyed, Cape Verde received a C rating in the World Bank's 2005 Comprehensive Development Framework (CDF) assessment, which provides the baseline for Indicator 1. According to the CDF, an operational strategy calls for a coherent long-term vision and a medium-term strategy derived from it; specific targets serving a holistic, balanced and well-sequenced development strategy; capacity and resources for its implementation; and the participation of national stakeholders in strategy formulation and implementation. A C rating indicates that Cape Verde has taken action towards achieving good practice in its operational development strategy. Only countries in categories A or B are considered to have an operational strategy.

Cape Verde considers that it has its own operational strategy implemented through several national strategy plans and two main strategic plans: the Growth and Poverty Reduction Strategic Paper and the Grand Options of the Plan. Through the implementation of these documents, Cape Verde demonstrates that it has taken action on the ownership of its development policies.

The country has articulated a number of long-term development objectives through a series of 10-year sectoral strategies. Although a unified national long-term perspective study (Cape Verde 2020), was completed in 1997, the World Bank's Aid Effectiveness Review (AER) reports that policy makers rarely refer to it. Cape Verde completed

its medium-term Poverty Reduction Strategy, the *Documento de Estratégia de Crescimento e de Redução da Pobreza* (DECRP), in 2004. It will span the years 2004-07. Cape Verde also has a constitutionally required medium-term framework for economic and social development, the Grand Options of the Plan, prepared in 2001. The new DECRP is now being drafted and will run from 2008 to 2011. The AER states that the objectives of the various medium-term plans are in line with one another.

A wide range of national stakeholders have been involved in DECRP strategy formulation and implementation. However, the AER reports that links between DECRP co-ordination and monitoring at the national, regional and local levels could be strengthened. Also, in contrast with the Grand Options of the Plan and the National Development Plans, the National Assembly was not required to approve the DECRP, and was only informed on DECRP progress for the first time in 2006. Ownership of the DECRP might accordingly be strengthened through greater scrutiny and engagement by the National Assembly.

The DECRP and the Grand Options of the Plan focus on five pillars: good governance; economic growth and employment creation; human capital; infrastructure and environmental protection; and social protection. Gender and HIV/AIDS are integrated as cross-cutting issues. The medium-term objectives identified in the DECRP are in line with the Millennium Development Goals (MDGs) and with the long-term national objectives. A large proportion of the budget – around 37% of government spending for 2007 – is allocated to priority sectors such as basic infrastructure, health and education. However, links between sectoral and global Medium-Term Expenditure Frameworks (MTEFs) need to be reinforced in order to tighten the strategic focus of the annual budget. The new law on budget planning and preparation is designed to improve the budget linkages with the MTEFs.

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While planning capacity is strong, the AER reports that implementation bottlenecks hamper execution of the DECRP. In particular, decentralisation has not been accompanied by adequate transfer of resources to municipal government. The government has approved a local finance law ensuring greater resourcing of municipalities, and is overhauling budget execution and reporting at local level.

## ALIGNMENT

**THE PARIS DECLARATION** requires donors to move towards aligning their assistance with national development strategies, institutions and procedures. Improving alignment requires action on the part of both governments and donors. Governments need to strengthen financial and programme management capacities, and to elaborate coherent and effective policies and plans, while donor agencies need to overcome institutional blocks to the use of national systems and management structures. Indicators 2 to 8 seek to assess the extent to which assistance is being aligned with Cape Verde's national development strategies and plans. They consider the extent to which donors are aligning their assistance with Cape Verde's national development and poverty reduction policies, and also provide some indication of the extent to which donors and government are achieving *systems* alignment.

### BUILDING RELIABLE COUNTRY SYSTEMS

The World Bank's Country Policy and Institutional Assessment for 2005 gives Cape Verde a score of 3.5 for the quality of budgetary and public financial management, slightly above the average of 3.2 for International Development Association countries. The AER reports that country systems are broadly sound, and that action is being taken to improve them (see below). Moreover, public sector corruption in Cape Verde is considered to be low. As such, Cape Verde should be in a strong position to meet or exceed the target of a 4.0 rating in 2010.

With continued focus on budget reform and on capacity for implementation, Cape Verde has the potential to achieve most of the MDGs by 2015 (it has in fact already met the education targets) and should meet its target of a B or A rating for ownership by 2010.

Since 2002 the government has been implementing public administrative reforms that strengthen fiduciary accountability; as such, it has recently launched the *Plano Nacional da Contabilidade Pública* (PNCP). As part of the PNCP the government intends to put in place a central register of state assets and to extend new public accounting standards to a wide range of public institutions. An integrated real-time financial management system (*Sistema Integrado de Gestão Orçamental e Financeira*, or SIGOF) has been extended to all ministries. Cape Verde has an established national audit institution (*Tribunal de Contas*), however, the AER describes auditing delays due to a lack of technical and financial capacity.

A numerical score for Indicator 2b (an assessment of the quality of the procurement system) is not currently available. The AER reports that the government is developing a national code for procurement, to be operationalised through an e-procurement system. This should provide a legal framework for procurement within which donors could harmonise their procedures in the future.

INDICATOR 2a

INDICATOR 2b

INDICATOR 3  
Table 9.1

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
Austria	1	2	48%	
European Commission	12	12	98%	
France	2	2		96%
Luxembourg	13	14	95%	
Netherlands	14	14		99%
OPEC Fund	0	1	1%	
Portugal	18	59	31%	
Spain	3	3		91%
United Nations	5	4		66%
World Bank	25	0		0%
<b>Total</b>	<b>95</b>	<b>111</b>	<b>85%</b>	

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

### ALIGNING AID FLOWS ON NATIONAL PRIORITIES

The DECRP provides a framework for external partners to align their support with Cape Verde's development plans and priorities. The AER commends the fact that the major external assistance partners have all aligned their assistance plans with DECRP priorities.

The Directorate General for International Cooperation within the Ministry of Foreign Affairs co-ordinates international development assistance, together with the Ministry of Finance and Planning (responsible for co-ordination of financial multilateral agencies) and the Ministry of Foreign Affairs (responsible for bilateral and multilateral partners). While sectoral co-ordination is the responsibility of line ministries with some support from the General Directorate for Planning, the AER sees potential for improvement through the creation of sectoral working groups. Consultation meetings between the government and external partners take place approximately every three years.

Indicator 3 is a proxy for measuring the alignment of aid flows with national priorities: it measures the extent to which donors' aid disbursements are accurately reflected in the national budget for the year in question. Where planned aid disbursements are accurately reflected in the budget approved by the legislature, this points to accurate and timely information flow between the government and its donors, as well as a high level of budget realism.

The table provides government's budget estimates of aid flows for fiscal year 2005 (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 disbursements. The baseline value for Indicator 3 in Cape Verde is 85%. Achieving the target agreed in Paris of 93% (halving the gap) for this indicator will require concerted efforts by donors and government.

According to the survey, the budget gap for Cape Verde was 15%. This result reflects some variances between the government's budgeted figures for aid and the actual disbursements reported by donors. Variances may be due to lack of harmonised criteria for accounting ODA (the survey calls for a better harmonisation of ODA criteria among the donors, to avoid such discrepancies), and the exclusion of funds channelled through outside mechanisms. The AER reports that disbursements for stand-alone projects are often not integrated into the budget.

For example, the AER reports that the General Directorate for Planning is tasked with consolidating information on the activities of all donors, but that donor reporting delays mean this information is not sufficiently comprehensive or up-to-date. Finally, the budget may itself reflect inaccuracies or lack of realism in the estimation of the rate of programme implementation progress, upon which disbursements usually depend.

The line-by-line variances suggest that information flow between donors and government in relation to planned aid disbursements could be improved, and that links between the budgeting process and sectoral assistance plans need to be strengthened. The new budget process, which is expected to inform the budget prepared in 2007, should reflect greater co-ordination between sectoral and global spending plans; this may generate more accurate reporting of aid on budget. Donors and government will need to make a serious commitment if they are to gradually close this gap over time and reach the target.

#### CO-ORDINATING SUPPORT TO STRENGTHEN CAPACITY

Capacity constraints significantly undermine the ability of country systems to capture and co-ordinate aid flows more effectively. The Paris Declaration commits donors to providing more co-ordinated support to capacity development under country leadership, with a target of 50% provided in this form by 2010. The survey indicates that currently 93% of reported technical assistance to Cape Verde is considered to be co-ordinated.

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
Austria	0	1	8%
European Commission	--	0	--
France	--	1	--
Luxembourg	--	--	--
Netherlands	--	--	--
OPEC Fund	--	--	--
Portugal	38	38	100%
Spain	2	3	74%
United Nations	--	--	--
World Bank	--	--	--
<b>Total</b>	<b>40</b>	<b>43</b>	<b>93%</b>

This is a very encouraging result. However, inspection of the line-by-line data shows considerable variation among donors, as well as gaps in the data for several major donors (it was difficult to identify the right sense of this question due to the ambiguity of this indicator). The very large sums reported for co-ordinated technical support by Portugal in comparison with all other donors also raises the question of whether donors may have been employing differing interpretations of the term "co-ordinated technical co-operation" – a problem which also featured in other country survey returns. Accordingly, a more complete set of information from all major donors might lead to a lower result for this indicator in the next survey. The survey return reports that capacity building is integrated into all of Cape Verde's sectoral development plans and programmes, and that donors integrate aspects of technical co-operation into the majority of projects that they finance. However, as yet no co-ordinated national capacity-building programme exists, which means that interventions remain fragmented to some extent.

INDICATOR 4  
Table 9.2

INDICATOR 5  
Table 9.3

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
Austria	2	1	--	1	--	1	41%
European Commission	12	6	6	--	--	--	--
France	2	--	--	--	--	--	--
Luxembourg	14	--	--	--	--	--	--
Netherlands	14	8	8	8	60%	--	--
OPEC Fund	1	--	--	--	--	--	--
Portugal	59	59	58	58	99%	59	100%
Spain	3	0	0	0	0%	0	0%
United Nations	4	--	--	--	--	--	--
World Bank	0	--	--	--	--	--	--
<b>Total</b>	<b>111</b>	<b>74</b>	<b>73</b>	<b>67</b>	<b>64%</b>	<b>60</b>	<b>53%</b>

### USING COUNTRY SYSTEMS

Indicator 5a is a measure of the use of three components of country public financial management systems by donors. According to the survey data, the average rate of utilisation across the three components is 64%. It should be noted that the data from the country survey for this indicator is incomplete for several of the major donors, making it difficult to draw strong conclusions regarding the use of PFM systems in Cape Verde. The overall result also reflects high variance among donors, with two in particular, the Netherlands and Portugal, reporting that almost all of the aid they disburse to the government sector uses PFM systems, while the figure for the other donors for which data is presented here is much lower.

The survey reports that following the recommendations made in the Country Financial Accountability Assessment, the government of Cape Verde has taken measures to implement public finance reform. In spite of this, the majority of donors do not use national PFM systems. However, the survey reports that “the Integrated System for Budgetary and Financial Management (SIGOF) is used by the budget support donors and also by the US within the framework of the Millennium Challenge Account. The use of SIGOF by donors is enabling better monitoring of donor aid disbursements and their financial execution.”

The World Bank reports in its Aid Effectiveness Review that external partners are moving towards providing the majority of their assistance through budget support. The European Commission, the Netherlands and the World Bank signed a Memorandum of Understanding with the government in support of the co-ordination and harmonisation of budget support, while the African Development Bank, Spain and Austria have also agreed to provide their budget support within this joint framework. Increased use of budget support should result in improved performance for this indicator.

According to the survey results, 53% of aid for the government sector made use of Cape Verde’s procurement system. Lack of data for several donors and large variances among donors make it difficult to draw strong conclusions in relation to this figure, and it seems likely that the overall percentage of aid using government procurement systems is lower than this. The qualitative survey return reports that “the majority of donors do not use national procurement systems because they have their own procedures which are based on internationally recognised procurement practices”. On the heels of the Country Procurement Assessment Review, Cape Verde is now implementing reforms to procurement by setting up a new national code on procurement. Cape Verde should see clear progress on this indicator by 2010.



## AVOIDING PARALLEL IMPLEMENTATION STRUCTURES

The Paris Declaration calls for a substantial reduction in the number of project implementation units (PIUs) that are parallel, where appointment decisions and accounting relationships involve the donor alone. The current baseline figure for Cape Verde is given as 10 such structures, a relatively low number which reflects both the level of aid flows to Cape Verde as well as the fact that many donors do not have offices in Cape Verde itself. The government envisages progressive elimination of the remaining PIUs as national institutions develop the requisite capacities for implementation.

The survey return suggests that the majority of donors have already moved towards using implementation units that have been integrated into partnership with local institutions. The AER points to donor efforts to move to the use of integrated PIUs. This includes efforts to use a single integrated PIU to co-ordinate the implementation of multiple projects; for example a PIU has been created within the Ministry of Finance and Planning to co-ordinate four different externally funded projects. It is unclear from the data to what extent these integrated PIUs retain the problematic characteristics typical of external PIUs (such as primary accountability to donors, staff appointed by the donor, staff salaries and

benefits exceeding those of civil servants), and to what extent the integration process is profound enough to enable government institutions to assume full ownership of these programmes.

## PROVIDING MORE PREDICTABLE AID

In the Paris Declaration, donors pledged to provide reliable commitments of aid over a multi-year framework and to increase the timeliness and predictability of aid disbursements. More predictable aid enables better programme planning and financial management by recipient countries. Indicator 7 is intended to provide a measure of aid predictability, by assessing both the extent to which actual donor aid disbursements reflect scheduled aid, and the government's ability to record aid disbursements in its accounting system for the appropriate year.

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

	Parallel PIUs (units)
Austria	--
European Commission	3
France	--
Luxembourg	1
Netherlands	0
OPEC Fund	4
Portugal	1
Spain	1
United Nations	--
World Bank	--
<b>Total</b>	<b>10</b>

INDICATOR 6  
Table 9.4

### 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) b	Baseline ratio* (%) c=a/b c=b/a
Austria	1	--	2	
European Commission	12	11	12	93%
France	2	2	2	95%
Luxembourg	13	14	14	94%
Netherlands	14	14	14	99%
OPEC Fund	--	2	1	
Portugal	18	60	59	30%
Spain	3	--	3	
United Nations	5	0	4	0%
World Bank	25	0	0	0%
<b>Total</b>	<b>95</b>	<b>103</b>	<b>111</b>	<b>92%</b>

INDICATOR 7  
Table 9.5

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



Like Indicator 3 (aid on budget), there are two measures for Indicator 7. The first is based on a ratio and provides a good indication as to whether government disbursement records are less (ratio under 100%) or more (ratio over 100%) than what was initially scheduled by each donor. The second is based on measuring the gap between the two, regardless of the direction of variance.

Actual disbursements as reported by donors totalled 92% of scheduled disbursements, in other words, reported donor performance was reasonably close to what had been predicted. It is possible to observe in this indicator the high grade of predictability for the aid in the case of Cape Verde, which reveals the strength of the engagement between the donors and the government.

The qualitative survey return considers that there has been significant progress in relation to aid predictability, pointing to the fact that donors developed instruments for co-operation with clearly delimited time scales, as well as a Memorandum of Understanding signed between the government and the Budget Support Group, and an Indicative Cooperation Programme signed with some donors. Nonetheless, constraints on the part of both government and donors continue to reduce aid predictability, according to the survey: "Weak absorption of resources and lack of financial reporting on the part of the country can cause delays in disbursements. On the part of donors, strict and bureaucratic procedures can also cause delays."

#### UNTYING AID

#### INDICATOR 8

According to OECD data covering 87% of 2004 aid commitments, 22% of aid to Cape Verde is untied. The AER reports that the government is in the process of setting up a system for monitoring levels of tied versus untied aid at the country level.

#### HARMONISATION

WHILE SOME IMPORTANT STEPS HAVE BEEN TAKEN towards donor harmonisation in Cape Verde, the survey results indicate that there is still room for progress. A particular challenge for a small state like Cape Verde is the fact that donors often manage programmes at a distance, something which may undermine donor harmonisation in some respects – although it might also create the conditions for greater co-operation among donors, for example through delegation. Most importantly, the survey shows that a degree of harmonisation is now developing around budget support, and this should extend as more donors join the Budget Support Group.

#### INDICATOR 9 Table 9.6

#### 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
Austria	--	--	--	2	--
European Commission	6	5	11	12	91%
France	--	--	--	2	--
Luxembourg	--	14	14	15	95%
Netherlands	8	6	14	10	145%
OPEC Fund	0	--	0	1	9%
Portugal	--	1	1	59	2%
Spain	0	0	0	4	0%
United Nations	0	0	0	4	0%
World Bank	0	0	0	--	--
<b>Total</b>	<b>15</b>	<b>26</b>	<b>40</b>	<b>110</b>	<b>37%</b>

#### USING COMMON ARRANGEMENTS

The proportion of government sector aid using common arrangements is 37%, somewhat below the average of 43% reported for all the countries surveyed. Of this proportion, approximately 40% is allocated to direct budget support and 60% to other programme-based approaches. The AER reports that several donors are co-ordinating approaches with each other. In particular, the Budget Support Group donors (the EC, the

Netherlands, the World Bank, the African Development Bank, Spain and Austria) are relying on joint reviews, joint indicators and a joint policy matrix to guide their budget support and assess implementation of the DECRP.

The government is also fostering a move to sector-wide approaches to support sectoral strategies, but it appears that sectoral co-operation is still quite limited in some respects.

This observation, combined with the very wide variances reported for donors (several donors report almost 100% use of programme-based approaches, while others report none or close to none), implies that donors may have employed widely differing definitions of “programme-based approaches” for the purposes of the survey.

## CONDUCTING JOINT MISSIONS AND SHARING ANALYSIS

The baseline figure for co-ordination of donor missions is rather low at only 11%. The continued reliance on unilateral missions may in part reflect the fact that several of Cape Verde’s aid partners do not maintain an office in-country and accordingly rely more heavily on external missions to support their programmes. However, the government has requested that external partners step up co-ordination of their missions. The AER for 2006 reports that emerging partnerships among external partners – in particular, among the Budget Support Group partners – are increasingly facilitating joint missions.

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

	Co-ordinated donor missions (missions) a	Total donor missions (missions) b	Baseline ratio (%) c=a/b
Austria	--	22	--
European Commission	4	20	20%
France	2	10	20%
Luxembourg	--	--	--
Netherlands	5	15	33%
OPEC Fund	--	--	--
Portugal	--	3	--
Spain	1	4	25%
United Nations	--	--	--
World Bank	--	--	--
<b>Total (discounted*)</b>	<b>8</b>	<b>74</b>	<b>11%</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 9.7

### 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
Austria	--	--	--
European Commission	3	10	30%
France	4	4	100%
Luxembourg	--	--	--
Netherlands	2	2	100%
OPEC Fund	--	1	--
Portugal	--	3	--
Spain	1	2	50%
United Nations	--	--	--
World Bank	--	--	--
<b>Total (discounted*)</b>	<b>8</b>	<b>22</b>	<b>34%</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 9.8

The survey reported that donors had undertaken 22 country analyses in 2005, of which 8, or 34%, were co-ordinated. The AER recognises that the move towards co-ordinated budget support has been strongly underpinned by joint analytical work. For example, since 2003 the European Commission, Netherlands and the World Bank have jointly conducted a Country Financial Accountability Assessment, a Country Procurement Review and sectoral Public Expenditure Reviews. Given the continued move towards budget support in Cape Verde, and the relatively small number of total analyses and donors in question, the target of 66% of analysis to be conducted jointly by 2010 should be achievable.

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## MANAGING FOR RESULTS

**INDICATOR 11** **THE PARIS DECLARATION** urges partner countries and donors to work together to manage resources for the achievement of development results, and to use information on results to improve decision making. Indicator 11 assesses one component of this effort: the establishment of cost-effective results-oriented performance assessment frameworks.

Cape Verde scored a D rating in the World Bank's 2005 Comprehensive Development Framework Progress Report, which means that it was considered to have – or possibly be putting in place – some elements of a performance assessment framework. This judgement was based on assessment of three key areas: the quality of available development-related information, the degree to which stakeholders have access to such information, and the extent of co-ordinated monitoring and evaluation of the country's development efforts.

The survey response, however, contends that Cape Verde has good quality development-related data available, and that the information is well diffused by the National Statistics Institute and Cape Verde Central Bank, as both institutions have websites. All ministries provide reporting and statistic data.

The AER for 2006 describes steps to strengthen the quality and coverage of poverty-related data. The National Statistics Institute conducted a census and a population and housing survey in 2000, then a household survey in 2002, which formed the basis for the poverty baselines in the DECRP. The Institute is finalising a questionnaire on basic social indicators which is expected to provide data to support monitoring of DECRP implementation. The government is preparing a national statistical development strategy, although as yet there is no firm commitment by donors to fully fund it when complete. Several donors provide co-ordinated and stand-alone support for statistical capacity.

The AER reports that development-related information is becoming more widely available to stakeholders, at least to those with Internet access. The Ministry of Finance manages a website where the DECRP and the Grand Options of the Plan are posted, as well as information on budget preparation and execution. The National Statistics Institute also gives access to poverty and household survey information via its website. The government has conducted a public information campaign around the DECRP.

As yet, a unified national monitoring and evaluation system does not exist. However, the AER reports that the *Secretariado Técnico de Apoio ao Desenvolvimento* (STAD) is doing the groundwork for a system to monitor DECRP implementation, based on 37 indicators and 28 baselines. Insufficient resources within STAD, particularly a lack of qualified staff, have slowed progress. In addition, although the government has requested that donors use the DECRP indicators as their monitoring framework, the AER reports that donors have integrated only a few of these indicators into their programmes to date. The issue of lack of progress on the monitoring and evaluation system for the DECRP was raised as part of the Budget Support Group evaluation in October 2005, where improvements to the system were suggested. The survey return notes that "Given the crucial role of monitoring and evaluation in the success of DECRP implementation, particularly in the production of reports for sectors benefiting from budget support, it is essential that the government ensures that resources are obtained through a plan based on actual needs and potential donors."

A second project aims to integrate the national financial management system, SIGOF, with a national database on policies and projects. Several ministries are now feeding data into this system. By building clear linkages between these two projects, and ensuring sufficient resourcing and capacity for them to be effective, these two initiatives could form the basis of a national monitoring and evaluation system.

## MUTUAL ACCOUNTABILITY

THE PARIS DECLARATION calls for donors and partner countries to be accountable to each other and to their respective publics for the use of development resources. Indicator 12 seeks to establish 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.

The AER reports that there is no formal, independently monitored mutual accountability framework in place to assess government and donor performance in strengthening aid effectiveness in Cape Verde. However, the AER suggests that joint budget support is emerging as an important forum for donors and government

to assess performance jointly. The survey response describes how the Budget Support Group and the government launched a joint evaluation of progress in October 2005. The meeting was used for reviewing DECRP progress, and planning and revising budget support objectives. It also generated some proposals for improving the effectiveness of budget support, for example, the use of a joint matrix containing three indicators.

The Budget Support Group experience shows that both the government and key donors are open to undertaking mutual evaluation. As more donors undertake joint budget support in Cape Verde, this forum could potentially form the basis of a more formal framework for mutual accountability.

## INDICATOR 12

## BASELINES AND TARGETS

THE TABLE BELOW presents the 2005 baselines and the indicative targets for 2010 for Cape Verde. 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 Cape Verde under the aegis of the National Co-ordinator and Deputy National Co-ordinator (Miryan Vieira and Marco Antonio Ortega).

INDICATORS	2005 BASELINE	2010 TARGET
1 Ownership – Operational PRS	C	B or A
2a Quality of PFM systems	3.5	4.0
2b Quality procurement systems	Not available	Not applicable
3 Aid reported on budget	85%	93%
4 Co-ordinated capacity development	93%	50%
5a Use of country PFM systems (aid flows)	64%	76%
5b Use of country procurement systems (aid flows)	53%	Not applicable
6 Parallel PIUs	10	3
7 In-year predictability	92%	96%
8 Untied aid	22%	More than 22%
9 Use of programme-based approaches	37%	66%
10a Co-ordinated missions	11%	40%
10b Co-ordinated country analytical work	34%	66%
11 Sound performance assessment framework	D	B or A
12 Reviews of mutual accountability	No	Yes

Table 9.9  
Baselines  
and targets

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## ACRONYMS

AER	Aid Effectiveness Review
CDF	Comprehensive Development Framework
DECRP	<i>Documento de Estratégia de Crescimento e de Redução da Pobreza</i> (Poverty Reduction Strategy)
GNI	gross national income
MDG	Millennium Development Goal
MTEF	Medium-Term Expenditure Framework
ODA	official development assistance
PIU	project implementation unit
PNCP	<i>Plano Nacional da Contabilidade Pública</i> (Public Accountability Plan)
SIGOF	<i>Sistema Integrado de Gestão Orçamental e Financeira</i> (Integrated System for Budgetary and Financial Management)
STAD	<i>Secretariado Técnico de Apoio ao Desenvolvimento</i>