



2006 Survey on Monitoring The Paris Declaration

Country Chapters

MOZAMBIQUE

The 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

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.

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WITH A POPULATION OF 19 MILLION, Mozambique has a national income per capita of USD 250 (gross national income). According to recent data, the proportion of people living below the national poverty line in Mozambique has significantly declined from 69% in 1997 to 54% in 2003. Total net official development assistance (ODA) to Mozambique in 2004 was USD 1.23 billion, and this accounted for 24% of gross national income (GNI). Mozambique has seen strong economic growth since the late 1990s, despite the impacts of a long civil war which finished only in 1992, compounded by frequent natural disasters including drought, floods and cyclones.

Responses to the 2006 survey in Mozambique accounted for 86% of ODA. The survey responses, taken together with the World Bank desk reviews which form the basis for the baselines/targets for some of the indicators, demonstrate that much of the progress made against the Paris indicators in Mozambique has been driven by budget support. However, this remains a relatively small part of aid to Mozambique, and other aid modalities will need to be strengthened if Paris targets are to be met. The main challenges and priorities for the future are summarised below.

| DIMENSIONS | BASELINE | CHALLENGES | PRIORITY ACTIONS |
|-----------------------|----------|--|--|
| Ownership | Moderate | Local strategy and budgeting capacity is limited. | Connect planning and budgeting processes in different parts of government. |
| Alignment | Moderate | Alignment is limited outside budget support/ sector-wide approaches. | Encourage use of national public financial management systems by donors beyond budget support. |
| Harmonisation | Moderate | Lack of harmonisation with respect to project aid. | Expand the use of programme-based approaches. |
| Managing for results | Moderate | Limited engagement with results outside government. | Strengthen public dissemination of development information. |
| Mutual accountability | Moderate | Mutual accountability arrangements only apply to budget support. | Develop mutual accountability arrangements beyond budget support. |

OVERVIEW
Box 23.1
Challenges
and priority
actions

OWNERSHIP

OWNERSHIP IS CRITICAL to achieving development results and is central to the Paris Declaration. It has been defined as a country's ability to exercise effective leadership over 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,

INDICATOR 1

of course, can it be measured by a single indicator. It requires a combination of cross-cutting factors that engage both donor and government. For donors it means supporting countries' leadership and policies. It also means basing their overall support on countries' national development strategies, institutions and systems, an approach commonly referred to as "alignment". Donors are in a better position to do that when governments set out clear priorities and operational strategies. This is the main focus of Indicator 1 of the Paris Declaration, assessed below with reference to the World Bank's 2006 Aid Effectiveness Review.

Mozambique's long-term vision is set out in Agenda 2025, which was completed in 2003 by a civil-society group known as the Committee of Advisors, through a long participatory and consultative process that brought all stakeholders together. Agenda 2025 is the umbrella policy document, to which all long-, medium-, and short-term development frameworks are anchored. It is nationally acknowledged as a consensus policy instrument.

The current Action Plan for the Reduction of Absolute Poverty, known as PARPA II, Mozambique's second generation of Poverty Reduction Strategy Paper, covers the years 2006-09. PARPA II outlines goals and strategies for Mozambique which are consistent with the Millennium Development Goals (MDGs) and embrace the thematic approach of Agenda 2025. PARPA II is supported by a number of medium-term strategies at the sectoral level. The government also produces annual Economic and Social Plans and progress reports to guide short-term implementation of PARPA II.

The country is in the process of decentralising strategic planning, and districts will increasingly develop their own development and investment plans. This process must continue to ensure that local policies reflect national priorities and strategy. The World Bank judges Mozambique's long-term strategy to be "largely in place" but suggests that more needs to be done to establish effective medium-term strategies across all sectors and levels of government. Steady efforts by government to update sector strategies and encourage strategic planning at the district level should help with this.

Mozambique's development targets are focused on the MDGs. The country has made clear progress on the MDGs related to poverty reduction and infant and maternal mortality. However, unless Mozambique steps up performance in the other MDG areas, the impact of HIV/AIDS will offset any progress in those areas.

PARPA II, the 2006-09 Action Plan, is pillar-oriented and gives more emphasis to the productive sectors and governance issues, with a district focus while its predecessor, PARPA I, was aimed at social areas with a sectoral approach. Development partners judge that Mozambique's development goals and targets are largely in place, and that the country has a balanced and well-sequenced development strategy.

Mozambique's development strategy is increasingly connected to the budget process. A Medium-Term Fiscal Framework (MTFF) is prepared annually, with three-year projections for sectoral allocations. The 2006-08 MTFF is expected to shape public expenditure around the objectives set out in PARPA. A key priority is to increase revenue collection to allow for increased investment in priority sectors such as education and health. The government is also planning to introduce Medium-Term Expenditure Frameworks at the sector level. It has started fiscal transfers to the district level as part of the national programme for advancing the decentralisation and local governance.

Mozambique received a C rating in the World Bank's 2005 Comprehensive Development Framework assessment, which provides the baseline for Indicator 1. This puts it within reach of the 2010 target of a B or an A if the government continues delegating and building strategy and budgeting capacity at the sectoral and local level; yet the links between different strategies

and objectives must be clear. The government will also need to ensure that the new division of responsibilities between the Ministry of Finance and the Ministry of Planning and Development does not threaten the links between planning and budgeting. In 2005-06, Standard and Poor gave Mozambique a B in its sovereign credit rating.

ALIGNMENT

MOVES TOWARDS THE PROVISION of general budget support by a number of donors in Mozambique have helped to improve dialogue and alignment between government and donors. That said, budget support represents a third of the total resource envelope in Mozambique and action will be needed by both government and donors if the progress made via budget support is to be extended to the rest of Mozambique's aid, and continued over time.

Such efforts will no doubt be fostered by the work of two groups. The Paris Declaration Working Group (consisting of some donors/other development partners and chaired by the UN Resident Coordinator) seeks to advance the Paris Declaration and its harmonisation and alignment agenda. The Development Partners Group brings together all donors and development partners, and is co-chaired by the UN Resident Coordinator and the World Bank Country Director.

Mozambique is one of a few countries experimenting with the Programme Aid Partners' Performance Assessment Framework, an instrument that assesses how donors are meeting their commitments to Mozambique (in addition to the government of Mozambique Donor Joint Review of PARPA implementation).

BUILDING RELIABLE COUNTRY SYSTEMS

Indicator 2a provides an indication on the quality of Mozambique's public financial management (PFM) systems. The score is based on the World Bank's Country Policy and Institutional Assessment (Indicator 13). In 2005, Mozambique's rating was 3.5 on a six-point scale, ranging from 1 (lowest score) to 6 (highest score).

The move by some donors in Mozambique towards the use of general budget support has spurred moves in government to strengthen fiduciary standards, and a PFM Action Plan has now been formulated. Budget transactions have been more reliable since the introduction of the Integrated Financial Management System, but this has not yet been rolled out to all ministries. Audit activities are overseen by a Tribunal Administrativo and the World Bank's Aid Effectiveness Review suggests that there has been some improvement in the audits of general state accounts in 2005.

Mozambique received a score of 2.8 on Transparency International's Corruption Perceptions Index in 2005 (where 0 signifies "highly corrupt" and 10 "highly clean"). An Anti-Corruption Law was introduced in 2004 and an Anti-Corruption Agency introduced. Although corruption remains a significant barrier to more reliable PFM systems, stakeholders are optimistic that a new Anti-Corruption Strategy will address this issue.

Mozambique is at an early stage of implementation with a number of PFM-related measures, as suggested above. If these measures live up to their promise, it will stand a good chance of meeting the target of increasing its PFM score to 4 by 2010.

INDICATOR 2a

INDICATOR 3
Table 23.1

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 |
| African Development Bank | 0 | 113 | 0% | |
| Belgium | 0 | 6 | 0% | |
| Canada | 0 | 26 | 0% | |
| Denmark | 0 | 52 | 0% | |
| European Commission | 0 | 136 | 0% | |
| Finland | 0 | 22 | 0% | |
| France | 0 | 5 | 0% | |
| GAVI Alliance | 0 | 3 | 0% | |
| Germany | 0 | 38 | 0% | |
| Global Fund | 0 | 15 | 0% | |
| International Monetary Fund | 0 | 0 | 0% | |
| Ireland | 0 | 38 | 0% | |
| Italy | 0 | 20 | 0% | |
| Japan | 0 | 14 | 0% | |
| Netherlands | 0 | 42 | 0% | |
| Norway | 0 | 52 | 0% | |
| Portugal | 0 | 17 | 0% | |
| Spain | 0 | 10 | 0% | |
| Sweden | 0 | 64 | 0% | |
| Switzerland | 0 | 13 | 0% | |
| United Kingdom | 0 | 70 | 0% | |
| United Nations | 0 | 97 | 0% | |
| United States | 0 | 47 | 0% | |
| World Bank | 0 | 232 | 0% | |
| Total | 944 | 1 133 | 83% | |

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

INDICATOR 2b

No score is currently available for Indicator 2b on the quality of Mozambique's procurement systems. The following assessment is based on the World Bank's Aid Effectiveness Review and the survey response. Fewer than 50% of contracts above the national threshold for small transactions are awarded through an open and competitive tendering process, and the procurement complaint mechanism is relatively ineffective. This situation is expected to improve as the 2005 Procurement Code is implemented in 2006-08. However, implementation has so far been slow and a recent Public Expenditure and Financial Accountability review concluded that "significant short-term improvements are unlikely: steady progress towards long-term gains should be the goal."

ALIGNING AID FLOWS
ON NATIONAL PRIORITIES

Donors have made significant moves to align their assistance strategies with Mozambique's priorities as set out in the Action Plan. Budget support is provided according to a single performance matrix which reflects the government strategy. Comprehensive and transparent reporting of aid on budgets, and how it is used, is critical not only to ensure that donors align aid flows with national development priorities but also to achieve accountability for the use of development resources and results. Ensuring that donor aid flows are properly reflected in the partner's national budget is a first step towards ensuring that aid flows are aligned with national priorities as reflected in the approved national budget.

INDICATOR 4
Table 23.2

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 Development Bank | 0 | 5 | 0% |
| Belgium | 1 | 1 | 95% |
| Canada | 1 | 1 | 68% |
| Denmark | 2 | 7 | 29% |
| European Commission | 9 | 12 | 78% |
| Finland | 1 | 2 | 36% |
| France | 0 | 1 | 0% |
| GAVI Alliance | 0 | 0 | -- |
| Germany | 4 | 14 | 31% |
| Global Fund | 0 | 0 | -- |
| International Monetary Fund | 2 | 2 | 100% |
| Ireland | 1 | 2 | 67% |
| Italy | 0 | 2 | 0% |
| Japan | 1 | 5 | 16% |
| Netherlands | 1 | 2 | 43% |
| Norway | 4 | 5 | 75% |
| Portugal | 0 | 11 | 0% |
| Spain | 0 | 1 | 47% |
| Sweden | 7 | 8 | 84% |
| Switzerland | 1 | 1 | 75% |
| United Kingdom | 4 | 8 | 54% |
| United Nations | 10 | 34 | 30% |
| United States | 3 | 34 | 9% |
| World Bank | 25 | 45 | 56% |
| Total | 78 | 204 | 38% |

The table (23.1) 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 Mozambique is 83%.

This reflects significant progress made in improving the budget process, although more work will be needed to co-ordinate the budget cycles of donors and the government if Mozambique is to meet

the target of 92% of aid to the government sector recorded on budget by 2010. The development in 2006 of a new aid database should improve the quality of information on aid flows and help with effective budgeting, but more work is needed to integrate this database with existing government systems.

A bigger challenge for the government is dealing with the fact that much on-budget aid does not actually flow through the Treasury and Mozambican budget execution systems (see Indicator 5 below). This makes it difficult for the government to report on this expenditure as the law requires. A joint government-donor taskforce was established in 2005 to bring more aid onto the Single Treasury Account, and the government is currently overhauling its financial system to facilitate progress in this area.

INDICATOR 5
Table 23.3

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 | 113 | 43 | 43 | 42 | 38% | 43 | 38% |
| Belgium | 6 | 5 | 2 | 2 | 53% | 2 | 39% |
| Canada | 26 | 9 | 8 | 2 | 24% | 2 | 8% |
| Denmark | 52 | 28 | 12 | 13 | 34% | 28 | 54% |
| European Commission | 136 | 64 | 62 | 53 | 44% | 64 | 47% |
| Finland | 22 | 7 | 7 | 5 | 31% | 7 | 34% |
| France | 5 | 2 | 0 | 0 | 11% | 5 | 100% |
| GAVI Alliance | 3 | 0 | 0 | 3 | 33% | 0 | 0% |
| Germany | 38 | 21 | 21 | 5 | 40% | 5 | 12% |
| Global Fund | 15 | 15 | 15 | 0 | 67% | 15 | 100% |
| IMF | 0 | 0 | 0 | 0 | 0% | 0 | 77% |
| Ireland | 38 | 38 | 28 | 28 | 82% | 38 | 100% |
| Italy | 20 | 16 | 8 | 8 | 53% | 20 | 100% |
| Japan | 14 | 2 | 0 | 2 | 11% | 2 | 17% |
| Netherlands | 42 | 22 | 22 | 22 | 54% | 22 | 54% |
| Norway | 52 | 19 | 16 | 19 | 34% | 19 | 37% |
| Portugal | 17 | 1 | 1 | 1 | 9% | 1 | 9% |
| Spain | 10 | 6 | 4 | 6 | 49% | 4 | 40% |
| Sweden | 64 | 20 | 18 | 18 | 30% | 18 | 29% |
| Switzerland | 13 | 8 | 8 | 10 | 69% | 12 | 89% |
| United Kingdom | 70 | 55 | 55 | 55 | 78% | 55 | 78% |
| United Nations | 97 | 1 | 1 | 17 | 6% | 1 | 1% |
| United States | 47 | 0 | 0 | 0 | 0% | 0 | 0% |
| World Bank | 232 | 65 | 65 | 60 | 27% | 65 | 28% |
| Total | 1 133 | 449 | 396 | 373 | 36% | 431 | 38% |

CO-ORDINATING SUPPORT TO STRENGTHEN CAPACITY

Government and donors agreed that technical assistance qualifying as “co-ordinated with country programmes” should be programme-based, and governed by formal co-ordination mechanisms where more than one donor is involved. National technical assistance percentages were attributed to common funds in order to include technical assistance which is integrated into, for example, sector-wide approaches (SWAs). As found in table 23.3, it is this integrated technical assistance which accounts for most of the 38% of technical assistance judged to be co-ordinated with country programmes – most stand-alone technical assistance remains uncoordinated. Budget support donors in Mozambique have proposed that in future they should be assessed on the percentage of their technical assistance which is provided in integrated sector-wide programmes, as part of the donor performance matrix (see below). This should encourage progress towards the 2010 target for 50% of technical assistance to be co-ordinated with country programmes.

USING COUNTRY SYSTEMS

The Paris Declaration encourages donors to make increasing use of country’s systems where these provide assurance that aid will be provided for agreed purposes. Use of country systems in Mozambique is largely limited to budget support. Only 36% of aid to the government sector uses the government’s budget execution, financial reporting and audit systems.

At the moment, use of national systems is limited largely to budget support. Some steps are being taken to increase the use of national PFM systems in sector-wide approaches, but the large proportion of Mozambique's aid which is delivered through projects remains untouched by this process. While improvements to the PFM system as outlined above will no doubt increase use of national PFM systems, they already meet the standard required to "trigger" targets for this indicator. Given that Mozambique scores 3.5 on Indicator 2a, the targets for 2010 on Indicator 5a are that 57% of aid makes use of national PFM systems (on average across the three systems in question), and that 90% of donors make use of all three systems for at least some projects/programmes. While Mozambique seems on track to meet the latter target, meeting the first will require significant increases in the use of national systems by donors. This could be achieved through a further expansion of budget support, or by the development of mechanisms which allow for the use of national PFM systems in sector programmes and projects.

Only 38% of aid uses Mozambican procurement systems, although all the donors responding to the survey use national procurement systems to disburse at least some aid. As with indicator 5a, use of national systems is restricted mostly to budget support funds, and a small number of sectoral programmes. Without data on Indicator 2b, no target can currently be set for Indicator 5b. Donors do not judge Mozambican procurement systems to be fully adequate to replace their own systems and will want to see major improvements to the system before they adopt them more fully.

AVOIDING PARALLEL IMPLEMENTATION STRUCTURES

The Paris Declaration invites donors to "avoid to the maximum extent possible, creating dedicated structures for day-to-day management and implementation of aid-financed projects and programmes". Mozambique currently has 40 parallel project implementation units (PIUs), including those which are "semi-integrated" into government agencies. Progress in phasing out parallel PIUs and meeting the target of reducing their number by two-thirds to 13 by 2010 will rely on changes in practice by those donors who use parallel PIUs, and should be encouraged by the assessment of donors against this criterion as part of the budget support donor performance matrix (see below).

How many PIUs are parallel to country structures?

INDICATOR 6
Table 23.4

| | Parallel PIUs (units) |
|-----------------------------|--------------------------|
| African Development Bank | 13 |
| Belgium | 0 |
| Canada | 0 |
| Denmark | 4 |
| European Commission | 0 |
| Finland | 0 |
| France | 1 |
| GAVI Alliance | 0 |
| Germany | 0 |
| Global Fund | 0 |
| International Monetary Fund | 0 |
| Ireland | 0 |
| Italy | 0 |
| Japan | 0 |
| Netherlands | 0 |
| Norway | 0 |
| Portugal | 0 |
| Spain | 2 |
| Sweden | 0 |
| Switzerland | 0 |
| United Kingdom | 0 |
| United Nations | 3 |
| United States | 5 |
| World Bank | 12 |
| Total | 40 |

INDICATOR 7
Table 23.5

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 Development Bank | 0 | 131 | 113 | 0% |
| Belgium | 0 | 7 | 6 | 0% |
| Canada | 0 | 24 | 26 | 0% |
| Denmark | 0 | 54 | 52 | 0% |
| European Commission | 0 | 172 | 136 | 0% |
| Finland | 0 | 24 | 22 | 0% |
| France | 0 | 6 | 5 | 0% |
| GAVI Alliance | 0 | 0 | 3 | |
| Germany | 0 | 38 | 38 | 0% |
| Global Fund | 0 | 15 | 15 | 0% |
| International Monetary Fund | 0 | 2 | 0 | 0% |
| Ireland | 0 | 8 | 38 | 0% |
| Italy | 0 | 25 | 20 | 0% |
| Japan | 0 | 14 | 14 | 0% |
| Netherlands | 0 | 40 | 42 | 0% |
| Norway | 0 | 47 | 52 | 0% |
| Portugal | 0 | 28 | 17 | 0% |
| Spain | 0 | 10 | 10 | 0% |
| Sweden | 0 | 60 | 64 | 0% |
| Switzerland | 0 | 13 | 13 | 0% |
| United Kingdom | 0 | 64 | 70 | 0% |
| United Nations | 0 | 126 | 97 | 0% |
| United States | 0 | 39 | 47 | 0% |
| World Bank | 0 | 282 | 232 | 0% |
| Total | 861 | 1 228 | 1 133 | 70% |

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

PROVIDING MORE PREDICTABLE AID

70% of aid scheduled for disbursement to the government sector in 2005 was recorded by the government as disbursed within that financial year. The in-year predictability of budget support was much higher than that for other forms of aid – if budget support is excluded from the calculation, the proportion of aid disbursed within the financial year for which it was scheduled is only 59%.

Mozambique might be able to meet the target of 85% of aid disbursed within the scheduled financial year by 2010 if budget support continues to increase as a percentage of aid, and remains predictable, but it seems likely that additional measures will be needed. Donors identify a number of reasons for delayed disbursements, including absorptive capacity constraints, delays in project implementation, bureaucratic procedures and reallocations of funds between financial years. The government is also concerned that, while in-year predictability (especially of budget support) has been improving, medium-term predictability remains low, which impedes medium-term budgeting processes.

UNTYING AID

INDICATOR 8 According to OECD data which covers 84% of aid to Mozambique, 89% of aid is untied.

HARMONISATION

AS WITH ALIGNMENT, the increased use of budget support and the development of sector-wide approaches have been key drivers of improved harmonisation between donors in Mozambique, for example through the “G18” group of budget support donors, but harmonisation outside these instruments is limited.

USING COMMON ARRANGEMENTS

Programme-based approaches are an effective means for donors to develop and use common procedures. In Mozambique, programme-based approaches include direct budget support; sector-wide approaches in health, education, agriculture and HIV/AIDS; pooled technical assistance, provincial budget support and other basket funds. These are all characterised by leadership from the government (programme-based approaches are also an important aspect of alignment), formalised processes for donor co-ordination and efforts to increase the use of national systems.

Although the government has a clearly stated preference for direct budget support, this accounts for a relatively small proportion of aid (27% in 2005). Even once the other programme-based approaches outlined above are taken into account, only 46% of aid to Mozambique was delivered in this way. In fact, project aid to Mozambique is increasing more rapidly than direct budget support, a trend which will need to be reversed if Mozambique is to meet the target for 66% of aid to be delivered via programme-based approaches by 2010.

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 | 43 | 0 | 43 | 115 | 37% |
| Belgium | 2 | 1 | 4 | 8 | 46% |
| Canada | 2 | 15 | 17 | 37 | 46% |
| Denmark | 10 | 42 | 52 | 57 | 91% |
| European Commission | 51 | 36 | 88 | 153 | 58% |
| Finland | 5 | 7 | 12 | 24 | 51% |
| France | 0 | 0 | 0 | 5 | 0% |
| GAVI Alliance | 0 | 0 | 0 | 3 | 0% |
| Germany | 5 | 0 | 5 | 41 | 11% |
| Global Fund | 0 | 15 | 15 | 15 | 100% |
| International Monetary Fund | 0 | 0 | 0 | 0 | 100% |
| Ireland | 27 | 11 | 38 | 43 | 89% |
| Italy | 8 | 2 | 11 | 20 | 53% |
| Japan | 0 | 0 | 0 | 15 | 0% |
| Netherlands | 22 | 17 | 40 | 48 | 82% |
| Norway | 16 | 20 | 35 | 63 | 56% |
| Portugal | 1 | 0 | 2 | 20 | 10% |
| Spain | 4 | 2 | 6 | 23 | 26% |
| Sweden | 18 | 28 | 46 | 74 | 62% |
| Switzerland | 8 | 4 | 12 | 24 | 49% |
| United Kingdom | 55 | 12 | 67 | 76 | 88% |
| United Nations | 0 | 28 | 28 | 103 | 27% |
| United States | 0 | 2 | 2 | 68 | 2% |
| World Bank | 60 | 5 | 65 | 232 | 28% |
| Total | 337 | 249 | 586 | 1 267 | 46% |

INDICATOR 9
Table 23.6

INDICATOR 10a
Table 23.5

Table 40.7: How many donor missions are co-ordinated?

| | Co-ordinated donor missions (missions) a | Total donor missions (missions) b | Baseline ratio (%) c=a/b |
|-----------------------------|---|--|--------------------------------|
| African Development Bank | 5 | 24 | 21% |
| Belgium | 6 | 6 | 100% |
| Canada | 4 | 5 | 80% |
| Denmark | 9 | 10 | 90% |
| European Commission | 8 | 16 | 50% |
| Finland | 5 | 22 | 23% |
| France | 4 | 13 | 31% |
| GAVI Alliance | 0 | 0 | -- |
| Germany | 7 | 23 | 30% |
| Global Fund | 3 | 5 | 60% |
| International Monetary Fund | 4 | 4 | 100% |
| Ireland | 5 | 8 | 63% |
| Italy | 4 | 12 | 33% |
| Japan | 0 | 6 | 0% |
| Netherlands | 4 | 4 | 100% |
| Norway | 12 | 13 | 92% |
| Portugal | 3 | 3 | 100% |
| Spain | 3 | 5 | 60% |
| Sweden | 13 | 27 | 48% |
| Switzerland | 4 | 7 | 57% |
| United Kingdom | 10 | 16 | 63% |
| United Nations | 20 | 106 | 19% |
| United States | 0 | 58 | 0% |
| World Bank | 11 | 37 | 30% |
| Total (discounted*) | 144 | 310 | 46% |

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

CONDUCTING JOINT MISSIONS AND SHARING ANALYSIS

46% of missions to Mozambique were conducted jointly in 2005, which suggests that donors in Mozambique have already met the target of 40% joint mission by 2010. The government and donors nonetheless have agreed to develop a more effective system for monitoring this in Mozambique as part of ongoing donor performance assessments. The number of missions related to budget support has increased in recent years, while the number unrelated to budget support had declined. Although budget support-related missions are more often co-ordinated, this trend alone will not allow Mozambique to meet this target because the absolute number of non-budget support missions remains so high.

How much country analysis is co-ordinated?

INDICATOR 10b
Table 23.8

| | Co-ordinated donor analytical work (units) a | Total donor analytical work (units) b | Baseline ratio (%) c=a/b |
|-----------------------------|---|--|--------------------------------|
| African Development Bank | 0 | 2 | 0% |
| Belgium | 0 | 0 | -- |
| Canada | 0 | 2 | 0% |
| Denmark | 5 | 9 | 56% |
| European Commission | 4 | 7 | 57% |
| Finland | 2 | 3 | 67% |
| France | 0 | 2 | 0% |
| GAVI Alliance | 0 | 0 | -- |
| Germany | 0 | 1 | 0% |
| Global Fund | 0 | 1 | 0% |
| International Monetary Fund | 0 | 0 | -- |
| Ireland | 0 | 1 | 0% |
| Italy | 0 | 0 | -- |
| Japan | 1 | 1 | 100% |
| Netherlands | 0 | 0 | -- |
| Norway | 7 | 8 | 88% |
| Portugal | 0 | 0 | -- |
| Spain | 0 | 0 | -- |
| Sweden | 2 | 3 | 67% |
| Switzerland | 0 | 1 | 0% |
| United Kingdom | 0 | 0 | -- |
| United Nations | 16 | 22 | 73% |
| United States | 13 | 19 | 68% |
| World Bank | 5 | 5 | 100% |
| Total (discounted*) | 55 | 87 | 63% |

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

63% of country analysis conducted by donors in Mozambique in 2005 was co-ordinated among donors. As with indicator 10a above, recent progress has come largely from budget support/sectoral programme donors and analysis. However, even in these areas, the government is concerned that analysis is not always shared with them.

MANAGING FOR RESULTS

INDICATOR 11 **MANAGING FOR RESULTS IS CENTRAL** to enhancing aid effectiveness. The Paris Declaration calls on donors to work alongside partner countries to manage resources on the basis of desired results, and to use information effectively to improve decision making. Indicator 11 focuses on one component of managing for results: the establishment by the partner country of a cost-effective, transparent and monitorable performance and assessment framework. Mozambique scored a C rating in the World Bank's 2005 Comprehensive Development Framework assessment, which provides the baseline for this indicator. This puts it within reach of achieving a B or an A by 2010. According to the World Bank's 2006 Aid Effectiveness Review, the quality of development information in Mozambique has improved.

The *Instituto de Estatística* conducts regular household surveys, and the government has prepared a national statistical development strategy, ready for implementation. The government needs to explore how to disseminate development information if it is to meet the target of a B or an A on this indicator by 2010. This should build on current efforts to public development information online, but should also include better dissemination of strategies, budgets and policies.

The World Bank also notes that progress has been made in developing country-level monitoring and evaluation systems, and points to significant improvements made in 2005. The main challenge now is to integrate national and sectoral monitoring and evaluation systems. The monitoring and evaluation for the new Action Plan goes some way towards doing this.

MUTUAL ACCOUNTABILITY

INDICATOR 12 **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 tends to strengthen public support for national policies and development assistance. This in turn requires governments to take steps to improve country accountability systems and donors to help by being transparent about their own contributions.

Indicator 12 measures one important aspect of mutual accountability; whether country-level mutual assessments of progress in implementing agreed commitments take place. Mozambique has a well-developed mutual accountability framework for donors providing budget support. Government and donor performance is independently measured against a range of performance criteria drawn from the Paris indicators, and there is some evidence that this is having positive effects on performance. However, budget support accounts for only 27% of aid to Mozambique, and no system of mutual accountability is currently in place for non-budget support aid.

BASELINES AND TARGETS

THE TABLE BELOW presents the 2005 baselines and targets for Mozambique. The information is discussed in detail in the above chapter and draws from various sources of information. The main source is the Baseline survey undertaken in Mozambique under the aegis of the National Co-ordinator (Hanifa Ibrahim).

| 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 | 83% | 92% |
| 4 Co-ordinated capacity development | 38% | 50% |
| 5a Use of country PFM systems (aid flows) | 36% | 57% |
| 5b Use of country procurement systems (aid flows) | 38% | Not applicable |
| 6 Parallel PIUs | 40 | 13 |
| 7 In-year predictability | 70% | 85% |
| 8 Untied aid | 89% | More than 89% |
| 9 Use of programme-based approaches | 46% | 66% |
| 10a Co-ordinated missions | 46% | 40% |
| 10b Co-ordinated country analytical work | 63% | 66% |
| 11 Sound performance assessment framework | C | B or A |
| 12 Reviews of mutual accountability | Yes | Yes |

Table 23.9
Baselines
and targets

ACRONYMS

| | |
|----------|---|
| GNI | gross national income |
| MDG | Millennium Development Goal |
| MTFF | Medium-Term Fiscal Framework (MTFF) |
| ODA | official development assistance |
| PARPA II | Action Plan for the Reduction of Absolute Poverty |
| PFM | public financial management |
| PIU | project implementation unit |
| SWAp | sector-wide approach |