
BOTSWANA

INTRODUCTION

BOTSWANA is an upper-middle income country with a gross national income (GNI) of USD 6 260 per capita in 2009 (WDI 2011). On average, there was no growth in GNI per capita between 2005 and 2009 (WDI, 2011). Botswana has a population of approximately 1.9 million (WDI, 2011).

Botswana benefits from a stable political environment with a free media and an independent judicial system. After several decades of growth and budget surpluses, the global financial crisis and decline in the prices of diamonds led to a sharp contraction in the economy and a rise in external borrowing. Botswana's development focus is on the diversification of the economy away from a reliance on natural resources. Botswana is likely to achieve most of the MDGs by 2015.

Net official development assistance (ODA) to Botswana has averaged USD 244 million since 2005 (OECD, 2011). Over the same period, net ODA has averaged 2% of GNI (WDI, 2011). The top five donors contributed 95% of Botswana's core ODA (OECD, forthcoming). ■

SUMMARY OF PROGRESS

PROGRESS ON THE PARIS DECLARATION INDICATORS depends on improvements by both donors and partner governments. Out of nine indicators with applicable targets, three have been met (operational development strategies technical cooperation co-ordinated with country programmes and untying aid). Although two out of three alignment indicators with applicable targets have been met, Botswana did not meet targets for harmonisation, results-oriented frameworks or mutual accountability. The proportion of joint analytic work, however, is close to target.

ABOUT THE SURVEY

This chapter assesses progress against the quantitative indicators provided by the Survey on Monitoring the Paris Declaration, drawing on data provided by the government and donors in Botswana, the OECD and the World Bank. In addition to this, it draws on qualitative evidence submitted to the OECD by the national government which incorporates feedback from donors and other stakeholders. Stakeholders note that it is possible that in places definitions and concepts were interpreted differently by survey respondents in 2011 compared with previous years. A degree of caution should be taken when analysing the trends shown by some of the indicators. The 2011 survey responses cover six donors and 14% of Botswana's core ODA. In 2010 the United States supplied 71% of Botswana's core ODA and did not respond to the survey. Conclusions drawn from the survey data may therefore only give a limited representation of the current state of aid effectiveness in Botswana. ■

TABLE 1:
Baselines and targets
for 2010

	INDICATORS	2005 REFERENCE	2007	2010 ACTUAL	2010 TARGET
1	Operational development strategies	--	--	B	'B' or 'A'
2a	Reliable public financial management (PFM) systems	--	--	--	No Target
2b	Reliable procurement systems	Not available	Not available	Not available	No Target
3	Aid flows are aligned on national priorities	--	--	63%	85%
4	Strengthen capacity by co-ordinated support	--	--	84%	50%
5a	Use of country PFM systems	--	--	65%	No Target
5b	Use of country procurement systems	--	--	53%	No Target
6	Strengthen capacity by avoiding parallel PIUs	--	--	1	No Target
7	Aid is more predictable	--	--	0%	No Target
8	Aid is untied	94%	96%	95%	More than 94%
9	Use of common arrangements or procedures	--	--	12%	66%
10a	Joint missions	--	--	5%	40%
10b	Joint country analytic work	--	--	62%	66%
11	Results-oriented frameworks	--	--	C	'B' or 'A'
12	Mutual accountability	Not available	Not available	N	Y

TABLE 2:
Learning from success
and challenges

	ACHIEVEMENT OR CHALLENGE	LESSON OR PRIORITY ACTION
Ownership	Achievement: The national development strategy is linked to a long-term vision and guides programmes, policies and strategies of all ministries. Cross-cutting issues are included and performance budgeting is being rolled out.	Priority action: Implement medium-term fiscal and expenditure frameworks in order to ensure costing over the medium-term, rather than through the annual budget.
Alignment	Challenge: Although reforms to country systems have led to high levels of use by some donors, the use of country systems should be extended to other donors.	Priority action: Identify a solution to allow reform of the dual budget framework in order to facilitate use of budget execution, financial reporting and auditing procedures.
Harmonisation	Challenge: Donors and financiers do not undertake joint missions, analytical work, programming etc. which could ensure that capacities at national level are not overextended.	Priority action: Government should hold donors accountable through the donor working groups and support donors in achieving these aims at the ministry – as well as at the national level.
Managing for results	Achievement: Comprehensive data is available at national and at sector levels Challenge: An effective monitoring and evaluation system is not in place.	Lesson: High-quality data and reports leads to their use as policy inputs at national and sector levels. Priority action: Effectively utilise available data within an improved overall monitoring and evaluation system.
Mutual accountability	Challenge: Lack of a joint framework to assess government and donor performance on aid effectiveness.	Priority action: Establish mutual accountability mechanisms and formalise assessments between government and donors, both individually and as a group.

OWNERSHIP

AID IS MOST EFFECTIVE when it supports a country-owned approach to development. It is less effective when aid policies and approaches are driven by donors. In the context of the Paris Declaration, ownership concerns a country's ability to carry out two, inter-linked activities: exercise effective leadership over its development policies and strategies; and co-ordinate the efforts of various development actors working in the country.

Indicator 1 assesses the operational value of a country's development strategy. In particular, it looks at the existence of an authoritative country-wide development policy (*i.e.* a unified strategic framework), the extent to which priorities are established, and whether these policies are costed and linked with the budget. All of these features are important to harness domestic resources for development, and to provide a basis for the alignment of aid to development priorities. Each country has provided evidence against these criteria, and this has been translated into a score by the World Bank using the same methodology as in the 2006 and 2008 surveys. A five-point scale runs from A (highest score) to E (lowest score). The Paris Declaration targets 75% of partner countries achieving a score of A or B by 2010.

Botswana received a B rating on the operability of its national development strategies. The national development strategy (NDS), the 'National Development Plan' is linked with a long-term vision and guides programmes, policies and strategies of all ministries. While the targets of the NDS are prioritised, due to the lack of a medium-term expenditure framework (MTEF), the implementation of the NDS relies on the annual budget.

Botswana is currently implementing the seven-year National Development Plan (2009-16) based on its long-term development policy, Vision 2016. Under the National Development Plan, the goals and objectives of Vision 2016 are reflected in key results areas and national goals and objectives. This is further expanded into sector goals for implementation by ministries and departments. Thematic working groups also give input on national priorities.

The priority areas of the National Development Plan are linked to the Millennium Development Goals and other cross cutting issues such as gender, environment and governance. The National Strategy Office collaborates with the Ministry of Finance and Development Planning to co-ordinate the monitoring of implementation of the plan. Thematic working groups address cross-cutting issues through periodic meetings and reviews of the implementation of their respective programmes. Botswana does not at present have a formal medium-term fiscal framework (MTFF), although one is expected to be completed by 2014 following the formulation of an MTEF in 2011. The National Development Plan (NDP) is, however, informed by a macro-economic framework and fiscal projections which play the role of defining a resource envelope for the budget and for strategy implementation. Expenditures at present are budgeted on an annual basis, although these are linked to the priorities of the strategy. The NDP is costed and based on programmes outlined in the strategy document. Although there is no MTFF or MTEF, the annual budget links to the priorities in the NDP. The current plan is moving in the direction of performance budgeting through the introduction of a programme-based budgeting approach that shifts the emphasis from projects and plans to impacts and results.

There is an institutionalised process for broad-based participation in the formulation and implementation of the national development strategies. The National Development Plan formulation process is guided by a reference group comprising representatives from central government offices, including the Trade Union Congress, civil society organisations, think tanks, NGOs and academia. The Economic Committee of Cabinet and Parliament scrutinise the NDP before it is subsequently passed by Parliament. A Development Partners Coordination Forum ensures that donor assistance is aligned to government priorities as stipulated in the plan. Thematic working groups have been facilitated the bringing together of development partners to discuss and streamline the preparation of national development strategies. ■

INDICATOR 1

Do countries have operational development strategies?

ALIGNMENT

AID THAT IS DONOR DRIVEN AND FRAGMENTED is less effective. For aid to be effective, it must make use of national development strategies and use and help strengthen capacity in national systems, such as those for procurement and public financial management. The Paris Declaration envisions donors basing their support fully on partner countries' aims and objectives. Indicators 2 through 8 of the Paris Declaration assess several different dimensions of alignment.

In the 2011 Survey, targets were set for 3 of the 9 indicators on alignment. Of these, two were met (capacity for co-ordinated support and untying aid). Of the remaining indicators, more than half of aid to the government uses country systems, and only one parallel project implementation unit is in operation throughout Botswana. Notably, no disbursed aid was recorded in national accounts.

INDICATOR 2 Building reliable country systems

Indicator 2 covers two aspects of country systems: public financial management (PFM) and procurement. Do these systems either adhere to good practices or are there plans for reform? If countries have reliable systems, donors are encouraged to use them for the delivery and management of aid. This helps to align aid more closely with national development strategies and enhances aid effectiveness.

INDICATOR 2a How reliable are country public financial management systems?

Indicator 2a of the Paris Declaration assesses whether PFM systems meet broadly accepted good practices or whether credible reform programmes are in place. The assessment is based on the World Bank's Country Policy and Institutional Analysis (CPIA) score for the quality of PFM systems, which uses a scale running from 1 (very weak) to 6 (very strong).

To score highly, a country needs to perform well against all three of the following criteria: a comprehensive and credible budget linked to policy priorities; an effective financial management system to ensure that the budget is implemented as intended in a controlled and predictable way; and timely and accurate accounting and fiscal reporting, including timely and audited public accounts with effective arrangements for follow up. Meeting the global 2010 target requires half of partner countries to move up at least one measure (*i.e.* 0.5 points) between 2005 and 2010.

According to the African Development Bank (2011), the 2009 and 2010 CPIA ratings placed Botswana among the top five countries in Africa at over 4.5 points. The government has also taken steps to implement reforms to strengthen its PFM systems. In collaboration with the European Union, PFM reforms have been formulated to strengthen financial management systems in order to support fiscal discipline, the strategic allocation of resources, and effective and efficient service delivery and accountability.

PFM reform is led by the Ministry of Finance and Development Planning. The Auditor General and Parliament constitute oversight bodies. The PFM reform programme has five major components: 1) A legal and institutional framework for PFM, 2) budget planning and formulation, 3) budget execution, 4) budget control and oversight, and 5) revenue management. Notably, the budget execution component is aimed at better predictability for spending units, improved commitment control, increased efficiency throughout the public sector, and maintaining sustainable debt levels. The objective of budget control and oversight entails sound and prudent financial management through the provision of accurate and timely financial information on budget implementation. Revenue management focuses on improved revenue forecasts and collection to support a credible budgetary process as well as identify the need to streamline the existing revenue functions within Ministry of Finance and Development Planning.

As part of the PFM reform programme, a comprehensive action plan and a monitoring framework comprising 74 action items with target dates has been formulated. Under the auspices of the Ministry of Finance and Development Planning, the IMF undertook a review of the programme in 2010 in order to enhance PFM systems and processes with particular focus on macro-fiscal analysis, cash and debt management, accrual accounting and results-based budgeting. As a result of the review an expanded action plan was formulated with concrete deliverables for implementation. Technical assistance has been sought to establish on-the-job coaching in coordination of the PFM RP.

Indicator 2b was first measured in 2008 by 17 countries. The process is one of self-assessment, using the Methodology for the Assessment of National Procurement Systems developed by the OECD-DAC Task Force on Procurement. The methodology includes baseline indicators to compare a country's systems to internationally-accepted good practice, as well as a new set of indicators. These indicators assess overall performance of the system, compliance with national legislation and standards and whether there is a reform programme in place to promote improved practices. The results are expressed as grades on a four-point scale running from A (the highest) to D (the lowest). The 2010 target is for a third of partner countries to move up at least one measure (*i.e.* from D to C, C to B or B to A) although not all countries will perform an assessment.

Botswana was not assessed on the reliability of its PFM systems in 2010, so no target was applicable. Public procurement in Botswana is underpinned by the 2002 Public Procurement Asset Disposal Act. The act provides the framework for a fair and competitive bidding system. The Public Procurement Asset Disposal Board holds regular workshops, attachments and site visits to its subsidiary bodies (ministerial tender committee, district tender committees and the general public) to monitor their work. A review commissioned by the government and the European Union to assess progress of PFM targets recommended that some of the key activities should be reprioritised, without departing from the approved PFM reform programme, its action plan, and monitoring frameworks.

Comprehensive and transparent reporting on aid, and its use, helps ensure that donors align aid flows with national development priorities. When aid directed to the government sector is fully and accurately reflected in the national budget it indicates that aid programmes are well connected with country policies and processes. This also allows partner country authorities to present accurate and comprehensive budget reports to their parliaments and citizens.

As a proxy for alignment, indicator 3 measures the percentage of aid disbursed by donors for the government sector that is included in the annual budget for the same fiscal year. The indicator reflects two components: the degree to which aid is aligned with government priorities, and the extent to which aid is captured in government's budget preparation process. Budget estimates can be higher or lower than disbursements by donors and are treated similarly for the purpose of measuring indicator 3 despite the different causes.

The 2010 target is to halve the proportion of aid flows that are not currently reported on government budgets, with at least 85% of aid reflected in the budget.

INDICATOR 2b

How reliable are country procurement systems?

INDICATOR 3

Aligning aid flows on national priorities

	Government's budget estimates of aid flows in 2010 (USD m)	Aid disbursed by donors for government sector in 2010 (USD m)	2005		2007		2010*		Total aid disbursed through other donors (USD m)
			(for reference)	(for reference)	(for reference)	(for reference)	(%)	(%)	
	a	b					c = a / b	c = b / a	
EU Institutions	39	17	--	--	--	--	43%	43%	0
France	0	0	--	--	--	--	--	--	0
Global Fund	1	0	--	--	--	--	0%	0%	0
Japan	13	13	--	--	--	--	99%	99%	0
United Nations	0	4	--	--	--	--	0%	0%	0
World Bank	12	8	--	--	--	--	66%	66%	0
Average donor ratio			--	--	--	--	42%	42%	
Total	65	41	--	--	--	--	63%	63%	0

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

TABLE 3:

Are government budget estimates comprehensive and realistic?

In 2010, Botswana 63% of disbursed aid was accurately estimated in the budget, falling short of the 2010 target. At the individual donor level there was mixed performance. Of the three major donors to the government sector, the EU Institutions scored 43%, the World Bank 66% and Japan 99%. The gap between disbursements and estimates is partly due to difficulty in fulfilling disbursement conditions and delays in disbursement. Ministries may also use their own sources of funding and subsequently request to be reimbursed. Aid flows are still mainly based on project modalities. However, the government feels that donors should go further by channeling resources as budget support in order to reduce the gap between estimates and disbursements. Currently, the EU Institutions and the African Development Bank are the only donors that have supplied general budget support or sector budget support.

INDICATOR 7
Providing more
predictable aid

For many countries, aid is a vital source of revenue and resources. Being able to predict aid disbursements – both in terms of how much aid will be delivered and when – is important to enable countries to manage public finances and undertake realistic planning for development. The Paris Declaration calls on donors to provide reliable, indicative commitments of aid over a multi-year framework, and to disburse aid in a timely and predictable manner according to agreed schedules.

Indicator 7 examines the in-year predictability of aid for the government sector by measuring the proportion of planned disbursements (as reported by donors) that are recorded by governments in their accounting system as having been disbursed. Indicator 7 therefore assesses two aspects of predictability. The first is the ability of donors to disburse aid according to schedule. The second is the ability of government to record disbursements for the government sector as received in its accounting system. Indicator 7 is designed to encourage progress in relation to both, with the aim of halving the proportion of aid not disbursed (and not captured in the government's accounting system) within the fiscal year for which it was scheduled by 2010. The ultimate goal is to improve not only the predictability of disbursements, but also the accuracy with which they are recorded in government systems – an important element to support ownership, accountability and transparency.

TABLE 4:
Are disbursements on
schedule and recorded
by government?

	Disbursements recorded by government in 2010 (USD m) a	Aid scheduled by donors for disbursement in 2010 (USD m) b	2005		2007		2010*		For reference: Aid disbursed by donors for government sector in 2010 (USD m) d	For reference: % of scheduled aid disbursements reported as disbursed by donors in 2010**	
			(for reference)	(for reference)	(for reference)	(for reference)	(%) c = a / b	(%) c = b / a		e = d / b	e = b / d
EU Institutions	0	39	--	--	--	--	0%	0%	32	84%	0%
France	0	0	--	--	--	--	--	0			0%
Global Fund	0	1	--	--	--	--	0%	2			56%
Japan	0	13	--	--	--	--	0%	14			99%
United Nations	0	15	--	--	--	--	0%	10		69%	
World Bank	0	12	--	--	--	--	0%	9		72%	
Average donor ratio			--	--	--	--	0%				63%
Total	0	80	--	--	--	--	0%	67			84%

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

** Ratio is $e=d/b$ except where disbursements recorded by donors are greater than aid scheduled for disbursement ($e=b/d$).

As seen in the first column above, in 2010, no disbursed aid was recorded in public accounts. On the other hand, 84% of aid scheduled for disbursement by donors was reported as actually disbursed. Reasons for discrepancies on the latter measure include: difficulties among government agencies in fulfilling disbursement conditions; and delays in project/programme implementation which in turn result in less disbursement against scheduled sums. Agreement on common reachable disbursement conditions by both donors and government will be a key step in meeting the Paris Declaration target.

Capacity constraints present significant challenges to development and poverty reduction efforts and their sustainability. These relate both to aid management capacities (the ability of the government to capture, co-ordinate and utilise aid flows more effectively) and also to broader capacities for the design and implementation of policies and service delivery.

Under the Paris Declaration donors committed to providing technical co-operation that is co-ordinated with partner country strategies and programmes. This approach aims to strengthen capacities while also responding to the needs of partner countries. Successful capacity development is led by the partner country.

Indicator 4 focuses on the extent to which donor technical co-operation (an important input into capacity development) is country-led and well co-ordinated. It captures the extent to which technical co-operation is aligned with objectives articulated by country authorities, whether country authorities have control over this assistance, and whether arrangements are in place to co-ordinate support provided by different donors. The Paris Declaration target is for 50% of technical co-operation flows to be implemented through co-ordinated programmes that are consistent with national development strategies by 2010.

	Co-ordinated technical co-operation (USD m)	Total technical co-operation (USD m)	2005 (for reference)	2007 (for reference)	2010 (%) c = a / b
	a	b			
EU Institutions	3	3	--	--	100%
France	0	0	--	--	100%
Global Fund	0	0	--	--	--
Japan	0	1	--	--	16%
United Nations	7	8	--	--	79%
World Bank	3	3	--	--	94%
Total	13	16	--	--	84%

INDICATOR 4

Co-ordinating support to strengthen capacity

TABLE 5:

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

In 2010, 84% of technical co-operation in Botswana was co-ordinated with national priorities and/or strategies. The EU Institutions and France co-ordinated 100% of their technical co-operation, while Japan scored significantly lower. The United Nations, the largest donor in terms of technical co-operation, co-ordinated approximately 80%.

Donor use of a partner country's established institutions and systems increases aid effectiveness by strengthening the government's long-term capacity to develop, implement and account for its policies to both its citizens and its parliament. The Paris Declaration commits donors to increase their use of country systems that are of sufficient quality, and to work with partner countries to strengthen systems that are currently weak. Indicator 5 is directly linked to indicator 2 on the quality of public financial management (PFM) and procurement systems.

Indicator 5a measures the extent to which donors use partner country PFM systems when providing funding for the government sector. It measures the volume of aid that uses partner country PFM systems (budget execution, financial reporting and auditing) as a proportion of total aid disbursed for the government sector. The 2010 target is set relative to indicator 2a on the quality of PFM systems. For partner countries with a score of 5 or above on indicator 2a scale the target is for a two-thirds reduction in the proportion of aid to the public sector not using the partner country's PFM systems. For partner countries with a score between 3.5 and 4.5 on indicator 2a, the target is a one-third reduction in the proportion of aid to the public sector not using partner country's PFM systems. There is no target for countries scoring less than 3.5.

In 2010, 65% of aid made use of Botswana's PFM systems, however, no target is applicable. In this regard Botswana is constrained by its dual budget structure, which separates development from recurrent budgets. The dual structure poses challenges for budget execution procedures, financial reporting procedures and auditing. As most donor aid is channelled through development projects the associated recurrent costs are not easily

INDICATOR 5

Using country systems

INDICATOR 5a

Use of country public financial management systems

TABLE 6:
How much aid for the government sector uses country systems?

	Aid disbursed by donors for government sector (USD m)	Public financial management						Procurement			
		Budget execution	Financial reporting	Auditing	2005	2007	2010	Proc. systems	2005	2007	2010
		(USD m)	(USD m)	(USD m)	(for reference)	(for reference)	(%)	(USD m)	(for reference)	(for reference)	(%)
a	b	c	d			avg(b,c,d)/a	e			e/a	
EU Institutions	32	32	32	32	--	--	100%	32	--	--	100%
France	0	0	0	0	--	--	0%	0	--	--	0%
Global Fund	2	0	2	2	--	--	67%	2	--	--	100%
Japan	14	0	0	0	--	--	0%	0	--	--	0%
United Nations	10	4	4	4	--	--	43%	1	--	--	11%
World Bank	9	4	4	8	--	--	64%	0	--	--	0%
Total	67	41	43	47	--	--	65%	36	--	--	53%

extracted from total project costs for use in donor audits. Audit procedures also mainly target the line ministry level rather than specific projects, therefore donor funds are audited concurrently with the parent ministry.

Resources channelled through the government's accounting and budgeting systems and those feeding into the national development plan are the easiest to channel through country systems as they are designed to use the dual budget system. However, Botswana has put in place additional "modules" to ensure that the current systems are used in situations beyond general or sector budget support, and the government is striving to increase donor confidence in the national systems. The government suggests that progress would be faster if donors harmonised their own systems.

INDICATOR 5b
Use of country procurement systems

Indicator 5b follows a similar graduated target to indicator 5a which is set relative to indicator 2b on the quality of procurement systems. For partner countries with a procurement score of 'A', a two-thirds reduction in the proportion of aid for the public sector not using the country's procurement systems and for partner countries with a procurement score of 'B' to reduce the gap by one-third.

In 2010, 53% of aid used country procurement systems, however, no target was applicable. The majority of this aid is accounted for by the EU Institutions, which channelled all of its aid through country systems. The Global Fund, and to a limited extent, the United Nations, also make use of country procurement systems. The government notes that procurement rules and procedures are made preferential to deliberately achieve national objectives, such as citizens' economic empowerment.

INDICATOR 6
Avoiding parallel implementation structures

When providing development assistance, some donors establish dedicated project management units or implementation units (PIUs) – to support development projects or programmes. A PIU is said to be "parallel" when it is created by the donor and operates outside existing country institutional and administrative structures. In the short term, parallel PIUs can play a useful role in establishing good practice and promoting effective project management. However, in the long run, parallel PIUs often tend to undermine national capacity development efforts, distort salaries and weaken accountability for development.

To make aid more effective, the Paris Declaration encourages donors to "avoid, to the maximum extent possible, creating dedicated structures for day-to-day management and implementation of aid-financed projects and programmes." Indicator 6 counts the number of parallel PIUs being used in partner countries. The target is to reduce by two-thirds the number of parallel PIUs in each partner country between 2005 and 2010.

Only one parallel PIU was in operation in 2010, although no target is applicable. Parallel structures, particularly those implemented to satisfy donor requirements, lack ownership and continuity when donor-supported programmes come to an end. The government notes that parallel structures established in the past negatively affected the capacity of government agencies. For this reason the Government of Botswana is rationalising institutions to avoid duplication of efforts and overlapping mandates.

	Parallel PIUs		
	2005 (for reference)	2007 (for reference)	2010 (units)
EU Institutions	--	--	1
France	--	--	0
Global Fund	--	--	0
Japan	--	--	0
United Nations	--	--	0
World Bank	--	--	0
Total	--	--	1

TABLE 7:
How many PIUs are parallel to country structures?

Aid is “tied” when restrictions are placed on the countries that goods and services may be purchased from, typically including the donor country and/or another narrowly specified group of countries. Untied aid not only improves value for money and decreases administrative burdens, but also supports the use of local resources, country systems and the harmonisation of donor support provided through pooled or joint aid instruments and approaches.

INDICATOR 8
Untying aid

Data on the extent to which aid is tied are based on voluntary self-reporting by donors that are members of the OECD’s Development Assistance Committee (DAC). The Paris Declaration target is to continue progress towards untying all aid between 2005 and 2010.

	Total bilateral aid as reported to the DAC in 2009	Untied aid	2005 (for reference)	2007 (for reference)	Share of untied aid
Australia	0.7	0.7	--	100%	100%
Austria	0.0	0.0	0%	--	--
Belgium	0.2	0.2	--	100%	100%
Canada	0.1	0.1	100%	0%	100%
France	0.1	0.1	100%	100%	100%
Germany	0.0	0.0	28%	--	--
Greece	0.0	0.0	--	--	--
Ireland	0.0	0.0	100%	100%	--
Japan	0.2	0.2	100%	100%	100%
New Zealand	0.0	0.0	100%	--	--
Norway	0.1	0.1	100%	--	100%
Sweden	1.4	1.4	100%	100%	100%
United Kingdom	0.8	0.8	--	100%	100%
United States	101.1	96.0	0%	96%	95%
Total	105	100	94%	96%	95%

TABLE 8:
How much bilateral aid is untied?

Source: OECD Creditor Reporting System.

In 2010, the share of untied aid in Botswana was 95%, little change from previous years and above the 2010 target. All bilateral donors to Botswana completely untied their aid with the exception of the United States at 95%. ■

HARMONISATION

POOR CO-ORDINATION OF AID increases the cost to both donors and partner countries and significantly reduces the real value of aid. Harmonisation of aid delivery procedures and the adoption of common arrangements help reduce duplication of effort and lower the transaction costs associated with aid management. The Paris Declaration focuses on two dimensions of aid as a proxy for assessing overall harmonisation: the use of common arrangements within programme-based approaches (PBAs) and the extent to which donors and partner countries conduct joint missions and co-ordinate analytic work.

INDICATOR 9
Using common
arrangements

Aid effectiveness is enhanced when donors use common arrangements to manage and deliver aid in support of partner country priorities. A good mechanism for aid co-ordination can be described as one that has shared objectives and integrates the various interests of stakeholders. Indicator 9 assesses the degree to which donors work together – and with partner governments and organisations – by measuring the proportion of total ODA disbursed within programme-based approaches (PBAs). In practice, there are many different approaches and modalities which can use PBAs, and harmonisation takes place at various levels.

At one level, the partner country is responsible for defining clear, country-owned programmes (e.g. a sector programme or strategy) and establishing a single budgetary framework that captures all resources (both domestic and external). At another level, donors are responsible for taking steps to use local systems for programme design and implementation, financial management, monitoring and evaluation. Finally, partner countries and donors are jointly responsible for donor co-ordination and harmonisation of donor procedures. The 2010 target is that two-thirds of aid flows are provided in the context of PBAs.

TABLE 9:
How much aid is
programme based?

	Programme-based approaches			Total aid disbursed (USD m) d	2005 (for reference)	2007 (for reference)	2010 (%) e = c / d
	Budget support (USD m) a	Other PBAs (USD m) b	Total (USD m) c = a + b				
	EU Institutions	0	0				
France	0	0	0	1	--	--	0%
Global Fund	0	2	2	2	--	--	100%
Japan	0	0	0	14	--	--	0%
United Nations	0	7	7	11	--	--	64%
World Bank	0	0	0	9	--	--	0%
Total	0	9	9	72	--	--	12%

INDICATOR 10a
Joint missions

In 2010, 12% of aid was channelled through programme-based approaches. Only two donors made any use of PBAs – the Global Fund and the United Nations at 100% and 64%, respectively. Aid flows are still largely project-based, and to some extent linked to the priorities of the national development strategies. The EU Institutions and the African Development Bank are the only two donors that have given aid through general budget support in the past, and the government would like to encourage use of this modality in the future. Progress on this front can be facilitated if the government strengthens its engagement with donors through the Development Partners Coordination Forum.

A common complaint of partner countries is that donors make too many demands on their limited resources: country authorities spend too much time meeting with donor officials and responding to their many requests. The Paris Declaration recognises that donors have a responsibility to ensure that, to the greatest extent possible, the missions and analytical work they commission are undertaken jointly – *i.e.* that the burden of such work is shared. The 2010 target is that 40% of donor missions to the field are conducted jointly.

TABLE 10:
How many donor
missions are
co-ordinated?

	Co-ordinated donor missions* (missions) a	Total donor missions (missions) b	2005* (for reference)	2007* (for reference)	2010* (%) c = a / b				
	EU Institutions	0				4	--	--	0%
	France	0				17	--	--	0%
Global Fund	0	1	--	--	0%				
Japan	0	1	--	--	0%				
United Nations	2	39	--	--	5%				
World Bank	4	14	--	--	29%				
Total	4	76	--	--	5%				

*The total of coordinated missions has been adjusted to avoid double counting.
A discount factor of 35% is applied.

According to 2010 data, 5% of donor missions were conducted jointly. Of the two donors to co-ordinate any of their missions, the United Nations and the World Bank jointly conducted 5% and 29% of their missions, respectively. The government notes that uncoordinated missions impose a large burden on government capacities. Issues regarding rationalisation and co-ordination of missions have been discussed by the Development Partners Coordination Forum, but to date there has not been improvement despite agreement among donors to their commitments under the Paris Declaration.

Country analytic work is the analysis and advice necessary to strengthen policy dialogue, and to develop and implement country strategies. It includes country or sector studies and strategies, country evaluations and discussion papers. The Paris Declaration foresees that donors should conduct analytic work jointly where possible as it helps curb transaction costs for partner authorities, avoids unnecessary duplicative work and helps to foster common understanding. Indicator 10b measures the proportion of country analytic work that is undertaken jointly. The 2010 target is that 66% of country analytic work is carried out jointly.

In comparison to the co-ordination of donor missions, Botswana recorded a comparatively high level of joint analytic work at 62%, slightly short of the 2010 target. This score is mainly accounted for by the United Nations (scoring 86%) which conducted the significant majority of analytic work in Botswana in 2010. Joint analytic work was carried out in most key sectors. ■

INDICATOR 10b

Joint country analytic work

	Co-ordinated donor analytic work* (units) a	Total donor analytic work (units) b	2005* (for reference)	2007* (for reference)	2010* (%) c = a / b
EU Institutions	0	0	--	--	--
France	1	1	--	--	100%
Global Fund	0	1	--	--	0%
Japan	0	0	--	--	--
United Nations	31	36	--	--	86%
World Bank	0	1	--	--	0%
Total	24	39	--	--	62%

*The total of coordinated country analytic works has been adjusted to avoid double counting. A discount factor of 25% is applied.

TABLE 11:
How much country analytic work is co-ordinated?

MANAGING FOR RESULTS

BOTH DONORS AND PARTNER COUNTRIES should manage resources according to well-defined, desired results, measuring progress toward them and using information on results to improve decision making and performance. Achieving this implies strengthening capacity to undertake such management and emphasising a focus on results. Countries are expected to develop cost-effective and results-oriented reporting and performance assessment frameworks, while donors commit to use them and refrain from requiring separate reporting.

Indicator 11 assesses the quality of a country's results-oriented frameworks. In particular, it considers the quality of the information generated, stakeholder access to information, and the extent to which the information is utilised within a country level monitoring and evaluation system. The government provides evidence against these criteria through the survey, and this is translated by the World Bank into a score running from A (highest score) to E (lowest score).

The Paris Declaration 2010 global target is to reduce the proportion of countries without transparent and monitorable performance assessment frameworks by one-third.

INDICATOR 11

Do countries have results-oriented frameworks?

Botswana received a score of C in 2010 on the status of its result-oriented frameworks, leaving the 2010 target unmet. Botswana has a monitoring and evaluation framework with baseline targets for key sectors embedded in the National Development Plan. Monitoring of progress is carried out by designated institutions. At the national level, the Vision 2016 Council monitors the macro aspects of national development strategies. The Ministry of Finance and Development Planning oversees the financial aspects of the National Development Plan. Sector ministries, with technical assistance from national organisations and units, carry out monitoring at the sector/ministry level.

The Monitoring and Evaluation Framework has comprehensive geographic coverage with progress reports for strategies available quarterly. Progress reports are made publicly available to stakeholders in print and a wide array of electronic sources. The establishment of the Government Implementation and Coordination Office, which has been renamed the National Strategy Office, is a positive step towards co-ordinating country-level monitoring and evaluation. ■

MUTUAL ACCOUNTABILITY

INDICATOR 12 Mutual accountability

STRONG AND BALANCED MECHANISMS that support accountability are required at all levels for aid to be most effective. Donors and partner country governments should be accountable to their respective publics and to each other for implementing their commitments on aid, its effectiveness, and the results to which it contributes.

Indicator 12 examines whether there is a country-level mechanism for mutual assessment of progress on partnership commitments, including on aid effectiveness. There are three criteria that must all be met: the existence of an aid policy or strategy agreed between the partner country government and donors; specific country-level aid effectiveness targets for both the partner country government and donors; an assessment towards these targets undertaken by both partner and donors in the last two years, and discussed in a forum for broad-based dialogue.

The 2010 target is for all partner countries to have mutual assessment reviews meeting these criteria in place. Botswana does not currently have a developed system for mutual accountability. Thus, the government and donors should develop a comprehensive mutual accountability framework that would engage all donors (OECD-DAC and non OECD-DAC) and cover all aid modalities. ■

NOTES

The quantitative information presented in the chapter is taken from data provided by national co-ordinators up to 31 July 2011, following the data validation process with stakeholders at the country level. It was not possible to modify or correct any data received after this date.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

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