
MOZAMBIQUE

INTRODUCTION

MOZAMBIQUE is a low-income country with a gross national income (GNI) of USD 440 per capita (2009) which has grown at an average rate of 4% yearly since 2005 (WDI, 2011). It has a population of 22.9 million, 60% of whom (13.7 million people) currently live under the 1.25 dollar-a-day income poverty line (WDI, 2011).

Mozambique is likely to achieve four of the Millennium Development Goals by 2015 on eliminating gender disparities in education, reducing the under-five mortality rate, and reversing the incidence of malaria and other major diseases. Other MDGs are within reach, including the target of halving absolute poverty.

Net official development assistance (ODA) to Mozambique in 2009 totalled USD 2 billion (OECD, 2011a). Since 2005, net ODA has averaged 22% of gross national income (WDI, 2011). The top five donors provided 47% of Mozambique's core ODA (OECD, forthcoming). ODA levels have been increasing slightly over the years, however ODA's proportion to the national budget has decreased alongside a strong boost in internal resources. ■

SUMMARY OF PROGRESS

PROGRESS ON THE PARIS DECLARATION INDICATORS depends on improvements by both donors and partner governments. Out of 13 indicators with applicable targets four have been met, while a further four are close to meeting the 2010 target. Mozambique was able to meet the target for its operational development strategy, scoring a 'B'. The reliability of its public financial management systems also met the target set for 2010. Mozambique was successful in aligning aid flows to national priorities, in strengthening capacity by avoiding parallel implementation units, and in developing a mutual accountability framework. Considerably more effort needs to be invested in strengthening capacity by co-ordinated support, using common arrangements and procedures, engaging in joint missions and analytic work, and devising a results-oriented framework. Large donors to Mozambique in particular need to increase efforts to co-ordinate with the Government of Mozambique in order to achieve these targets.

Mozambique has notably long been considered a frontrunner in aid effectiveness issues and had made progress on harmonisation, alignment, aid predictability and mutual accountability issues before the signing of the Paris Declaration. A second poverty reduction strategy paper was in preparation and formulated through a highly consultative process. A mutual accountability system was already functional covering 19 donors, including indicators in predictability, alignment and harmonisation, administrative burden, and transparency. Since 2010, two major donors, the United States and United Nations have submitted themselves to the review, adding up to 21 donors.

TABLE 1:
Baselines and targets
for 2010

| | INDICATORS | 2005 REFERENCE | 2007 | 2010 ACTUAL | 2010 TARGET |
|-----|--|----------------|---------------|---------------|---------------|
| 1 | Operational development strategies | C | C | B | 'B' or 'A' |
| 2a | Reliable public financial management (PFM) systems | 3.5 | 3.5 | 4.0 | 4.0 |
| 2b | Reliable procurement systems | Not available | Not available | Not available | No Target |
| 3 | Aid flows are aligned on national priorities | 83% | 83% | 90% | 92% |
| 4 | Strengthen capacity by co-ordinated support | 38% | 27% | 28% | 50% |
| 5a | Use of country PFM systems | 36% | 44% | 47% | 57% |
| 5b | Use of country procurement systems | 38% | 54% | 56% | No Target |
| 6 | Strengthen capacity by avoiding parallel PIUs | 40 | 26 | 5 | 13 |
| 7 | Aid is more predictable | 70% | 74% | 84% | 85% |
| 8 | Aid is untied | 95% | 93% | 90% | More than 95% |
| 9 | Use of common arrangements or procedures | 46% | 46% | 51% | 66% |
| 10a | Joint missions | 46% | 17% | 15% | 40% |
| 10b | Joint country analytic work | 63% | 32% | 35% | 66% |
| 11 | Results-oriented frameworks | C | B | C | 'B' or 'A' |
| 12 | Mutual accountability | Y | Y | Y | Y |

TABLE 2:
Learning from success
and challenges

| | ACHIEVEMENT OR CHALLENGE | LESSON OR PRIORITY ACTION |
|-----------|--|--|
| Ownership | <p>Achievement:</p> <ul style="list-style-type: none"> There have been advances in incorporating gender equality and women's empowerment in the national development strategy. <p>Challenge:</p> <ul style="list-style-type: none"> Unclear concept of ownership and different interpretations among donors and country stakeholders. Donors have more resources than civil society to influence policies and often dominate space created for participatory consultations. | <p>Priority action:</p> <ul style="list-style-type: none"> Government should exert leadership on the division of labour, as well as develop an action plan for international co-operation policy. Donors should make compromises regarding ownership as included in the Paris Declaration. |
| Alignment | <p>Achievement:</p> <ul style="list-style-type: none"> The integration of a new financial management system, e-SISTAFE, is used to manage most of the budget online and in real time. However, knowledge and understanding of the inclusion and implementation of projects in e-SISTAFE could be improved among donors and government departments. | <p>Priority action:</p> <ul style="list-style-type: none"> Donors should increase their use of country systems, while the government should facilitate the use of these systems for project implementation. |

| | ACHIEVEMENT OR CHALLENGE | LESSON OR PRIORITY ACTION |
|-----------------------|--|---|
| Harmonisation | <p>Challenge:</p> <ul style="list-style-type: none"> Complex and time-consuming processes regarding the use of common arrangements that do not fully cater for general budget support. <p>Challenge:</p> <ul style="list-style-type: none"> A significant decrease in the percentage of joint missions. | <p>Priority action:</p> <ul style="list-style-type: none"> The government should establish an expanded aid co-ordination system to include all donors equally. More effort is required among donors for planning genuinely joint missions and analytical work. |
| Managing for results | <p>Challenge:</p> <ul style="list-style-type: none"> The M&E framework is not supported by quality development information and does not have clearly established institutional responsibilities and co-ordination. Even though these aspects of the M&E framework are improving, they are insufficient to meet the M&E expectations. | <p>Priority action:</p> <ul style="list-style-type: none"> The government should increase capacity at the sector level and improve data collection systems. |
| Mutual accountability | <p>Challenge:</p> <ul style="list-style-type: none"> Established mechanisms and structures are not widely used by the government and do not cover all donors. A fundamental power imbalance between donors and the government has not been resolved. | <p>Priority action:</p> <ul style="list-style-type: none"> The government should adapt the current system to be more relevant for all donors and encourage the use mechanisms and structures by the government. Donors should facilitate the participation of non-traditional donors in the MA system. |

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, 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 due to improvement of some definitions by government. A degree of caution should be taken when analysing the trends shown by some of the indicators. The 2011 survey responses cover 24 donors and 78% of Mozambique's core ODA. Mozambique completed the optional gender module for the survey. ■

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.

INDICATOR 1

Do countries have operational development strategies?

Mozambique met the Paris Declaration target on ownership, having been awarded a ‘B’ score by the World Bank for its national development strategy (NDS).¹ This is an improvement from a score of ‘C’ in both 2005 and 2007. There have been significant improvements in Mozambique’s NDS that allowed it to increase the previous score.

There is a second PRSP already in place in Mozambique that covers the 2005-10 period, and its successor, the Plano de acção da redução da Pobreza 2011-2014 – PARP, is in the final stages of drafting. The PRSP is strongly linked to the larger social and economic context presented by the long-term vision. Sectoral and sub-national strategies are linked to the PRSP which incorporates a strategic matrix of indicators and annual targets which are pursued through an annual action plan. These sectoral links are still being strengthened so that sector strategies can be based on, and aligned with, the priorities laid out in the PRSP and other government documents, such as the medium-term expenditure framework (MTEF).

More specifically, the NDS incorporates prioritised targets and a plan to achieve them. The strategy includes MDGs (with some country contextualisation) and cross-cutting issues, with a degree of mainstreaming. The NDS is not specifically costed but this is done in the context of the MTEF and yearly budget formulations. Although sector strategies are reflected in the MTEF and the NDS is linked to the MTEF and the annual budget. The budget does reflect a performance-based orientation; however, this extends only to measures and indicators of inputs and outputs, not outcomes.

According to the stakeholders’ report, the definition of ownership in the Paris Declaration raises issues regarding the capacity of government to assume ownership, and the fact that donors dominate public space as they have more resources to influence policies compared to civil society organisations. Country stakeholders notably report that parts of government feel donor behaviour sometimes undermines the principle of ownership.

There have been advances in terms of incorporating gender equality and women’s empowerment in the national development strategy. However, the LEADS score awarded for this indicator was ‘3’, indicating actions have been taken but room for improvement remains. Gender issues were included in the second generation PRSP called Plano de acção da redução da Pobreza Absoluta II (PARPA II) and were addressed in a comprehensive manner and are reflected at different levels: objectives, principles, and actions. There are ten priority actions in the NDS that promote equal opportunities between men and women and empowering women in Mozambique, besides the specific areas dedicated to gender equality. Furthermore, gender-responsive budgeting is in place with resources from the national budget allocated to the National Council on the Advancement of Women. ■

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.

On alignment, Mozambique has improved since 2005 on two out of the seven indicators with applicable targets. Mozambique was able to meet the target for reliable public financial systems and strengthening capacity by avoiding parallel project implementation units (PIUs). A further two indicators have made progress since 2005 (use of country PFM systems and aid predictability). Progress has also been made in terms of using country procurement systems, but there is no target set for that indicator. Lastly, there are two indicators that have been setback since 2005: strengthening capacity by co-ordinating support and untying aid.

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 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.

Mozambique achieved the target of reliable public financial management systems, scoring a 4.0, an increase from the two previous surveys. A number of policies and tools have improved the reliability of Mozambique's public financial management systems. The integration of a new financial management system, e-SISTAFE, is now used to manage most of the budget online and in real time. Furthermore, the administrative court has increased the coverage and number of audits it performs, as well as strengthening its performance in the collection of state revenues.

The main constraints in the use of PFM systems are deficiencies and inconsistencies in data availability and financial information on budget execution at disaggregated levels; a limited link between plans and budgets; and weak implementation of internal control systems. The process of inclusion and implementation of projects in e-SISTAFE remains complex and poorly understood by both donors and government departments.

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.

Mozambique has not been rated on the reliability of its procurement systems for 2010. However, a new procurement act was set by decree in 2010 to improve Mozambique's procurement systems. Furthermore, institutional consolidation of a supervision unit of acquisitions (UFSA) is expected to support the procurement act. However, according to the World Bank, national procurement systems and their application remain weak despite the progress made in creating the legal framework. Some challenges the improvement of this type of system face include the weak coverage of data collected by UFSA, the lack of capacity of the management and procurement executing units, and the limited progress in implementing an action plan to establish a system for monitoring and evaluation of the procurement system.

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.

INDICATOR 2

Building reliable country systems

INDICATOR 2a

How reliable are country public financial management systems?

INDICATOR 2b

How reliable are country procurement systems?

INDICATOR 3

Aligning aid flows on national priorities

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 92% of aid reflected in the budget.

TABLE 3:
Are government budget estimates comprehensive and realistic?

| | Government's budget estimates of aid flows in 2010 (USD m) a | Aid disbursed by donors for government sector in 2010 (USD m) b | 2005 | | 2007 | | 2010* | | Total aid disbursed through other donors (USD m) |
|---------------------|---|--|-----------------|------------|-----------------|------------|-----------|-----------|--|
| | | | (for reference) | | (for reference) | | (%) | | |
| | | | | | | | c = a / b | c = b / a | |
| [Other donors] | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| African Dev. Bank | 112 | 76 | 0% | -- | -- | -- | 68% | 68% | 0 |
| Austria | 5 | 5 | -- | -- | -- | 98% | | | 1 |
| Belgium | 14 | 7 | 0% | -- | -- | | 53% | | 12 |
| Canada | 54 | 60 | 0% | -- | -- | 91% | | | 0 |
| Denmark | 57 | 61 | 0% | -- | -- | 93% | | | 1 |
| EU Institutions | 248 | 173 | 0% | -- | -- | | 70% | | 6 |
| Finland | 46 | 43 | 0% | -- | -- | | 92% | | 0 |
| France | 11 | 18 | 0% | -- | -- | 58% | | | 0 |
| GAVI Alliance | -- | 7 | 0% | -- | -- | | | | 0 |
| Germany | 63 | 70 | 0% | -- | -- | 90% | | | 0 |
| Global Fund | 4 | 77 | 0% | -- | -- | 5% | | | 0 |
| IFAD | 7 | 7 | -- | -- | -- | 94% | | | 0 |
| IMF | -- | -- | 0% | -- | -- | -- | | | 0 |
| Ireland | 35 | 44 | 0% | -- | -- | 81% | | | 0 |
| Italy | 57 | 21 | 0% | -- | -- | | 37% | | 1 |
| Japan | 31 | 55 | 0% | -- | -- | 57% | | | 2 |
| Netherlands | 58 | 64 | 0% | -- | -- | 91% | | | 0 |
| Norway | 50 | 52 | 0% | -- | -- | 98% | | | 0 |
| Portugal | 22 | 108 | 0% | -- | -- | 20% | | | 0 |
| Spain | 21 | 25 | 0% | -- | -- | 85% | | | 0 |
| Sweden | 82 | 71 | 0% | -- | -- | | 87% | | 1 |
| Switzerland | 14 | 18 | 0% | -- | -- | 75% | | | 0 |
| United Kingdom | 91 | 95 | 0% | -- | -- | 96% | | | 1 |
| United Nations | 37 | 92 | 0% | -- | -- | 40% | | | 2 |
| United States | 76 | 238 | 0% | -- | -- | 32% | | | 0 |
| World Bank | 323 | 195 | 0% | -- | -- | | 60% | | 0 |
| Average donor ratio | | | 0% | -- | -- | | 70% | | |
| Total | 1 519 | 1 683 | 83% | 83% | 83% | 90% | | | 26 |

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

In 2010, 90% of aid was recorded in the government budget, narrowly missing the 92% target. Large donors in this regard score comparatively lowly, with bilateral donors such as the United States and Portugal registering below 35%, and multilateral donors such as the EU Institutions and the African Development Bank scoring higher at approximately 70%. Combined with large over- and under-estimates of disbursed aid and a comparatively lower average donor ratio, the data therefore indicates that the 90% may not give a fully accurate picture of the percentage of aid accurately recorded in the budget.

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.

INDICATOR 7
Providing more
predictable aid

| | 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 |
| [Other donors] | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| African Dev. Bank | 94 | 76 | 0% | 43% | | | 81% | 76 | 100% | | |
| Austria | 7 | 5 | -- | | | | 76% | 5 | 100% | | |
| Belgium | 10 | 19 | 0% | 93% | | 50% | | 7 | 38% | | |
| Canada | 63 | 60 | 0% | 79% | | | 95% | 60 | 100% | | |
| Denmark | 27 | 61 | 0% | 43% | | 45% | | 61 | 100% | | |
| EU Institutions | 178 | 173 | 0% | 50% | | | 97% | 173 | 100% | | |
| Finland | 26 | 43 | 0% | 25% | | 62% | | 43 | 100% | | |
| France | 9 | 18 | 0% | | 28% | 48% | | 18 | 100% | | |
| GAVI Alliance | -- | 7 | | 0% | | | | 7 | | 96% | |
| Germany | 31 | 43 | 0% | 46% | | 70% | | 70 | | 62% | |
| Global Fund | 0 | 24 | 0% | 0% | | 0% | | 77 | | 30% | |
| IFAD | 0 | 7 | -- | 37% | | 1% | | 7 | 100% | | |
| IMF | -- | -- | 0% | -- | | -- | | -- | -- | -- | |
| Ireland | 19 | 44 | 0% | 38% | | 43% | | 44 | 100% | | |
| Italy | 16 | 21 | 0% | 97% | | 74% | | 21 | 100% | | |
| Japan | 12 | 55 | 0% | 93% | | 21% | | 55 | 100% | | |
| Netherlands | 54 | 64 | 0% | 50% | | 85% | | 64 | 100% | | |
| Norway | 44 | 52 | 0% | 58% | | 85% | | 52 | 100% | | |
| Portugal | 81 | 108 | 0% | | 70% | 74% | | 108 | 100% | | |
| Spain | 18 | 25 | 0% | 40% | | 71% | | 25 | 100% | | |
| Sweden | 66 | 71 | 0% | 82% | | 94% | | 71 | 100% | | |
| Switzerland | 10 | 18 | 0% | 52% | | 53% | | 18 | 100% | | |
| United Kingdom | 104 | 95 | 0% | 69% | | | 92% | 95 | 100% | | |
| United Nations | 52 | 71 | 0% | 13% | | 72% | | 92 | | 77% | |
| United States | 228 | 238 | 0% | 22% | | 96% | | 238 | 100% | | |
| World Bank | 192 | 195 | 0% | 88% | | 98% | | 195 | 100% | | |
| Average donor ratio | | | 0% | 51% | | 66% | | | | 92% | |
| Total | 1 339 | 1 593 | 70% | 74% | | 84% | | 1 683 | 95% | | |

* 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).

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

In 2010, 84% of scheduled aid was recorded in public accounts, a steady improvement since 2005 but narrowly missing the 85% target. According to Mozambique's input, reasons for discrepancies between planned and recorded disbursements include: systematic delays in disbursements of funds, difficulties of donors in providing information on actual disbursements and delays in the delivery of audit reports from previous years. Furthermore, differences in exchange rates between the donor country and Mozambique may have caused some of the divergences in the predictability of aid. This is due to the fact that donors make disbursements in their national currency, while the budget is in the local currency. This has created deficits in the amount of planned aid in the past, and in the future Mozambique will recommend that disbursements be made in Mozambican currency.

The greater challenge for Mozambique is to make projects more predictable. Donors are making more budget support commitments and the government is receiving the funds in the respective year. Donors are also making more specific commitments for general budget support, in order to improve the predictability of aid. Lastly, donors are also synchronising budget support disbursements with the government's budget process.

INDICATOR 4

Co-ordinating support to strengthen capacity

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.

TABLE 5:
How much technical co-operation is co-ordinated with country programmes?

| | Co-ordinated technical co-operation (USD m) | Total technical co-operation (USD m) | 2005 (for reference) | 2007 (for reference) | 2010 (%) |
|-------------------|---|--------------------------------------|----------------------|----------------------|------------|
| | a | b | | | c = a / b |
| [Other donors] | -- | -- | -- | -- | -- |
| African Dev. Bank | 3 | 4 | 0% | 12% | 76% |
| Austria | 0 | 0 | -- | 0% | 100% |
| Belgium | 2 | 2 | 95% | 85% | 92% |
| Canada | 4 | 13 | 68% | 26% | 31% |
| Denmark | 7 | 7 | 29% | 75% | 93% |
| EU Institutions | 2 | 5 | 78% | 55% | 36% |
| Finland | 5 | 5 | 36% | 63% | 100% |
| France | 0 | 2 | 0% | 11% | 21% |
| GAVI Alliance | 0 | 0 | -- | -- | -- |
| Germany | 16 | 35 | 31% | 65% | 45% |
| Global Fund | 0 | 0 | -- | -- | -- |
| IFAD | 0 | 0 | -- | -- | 96% |
| IMF | -- | -- | 100% | -- | -- |
| Ireland | 0 | 1 | 67% | 100% | 8% |
| Italy | 4 | 4 | 0% | 56% | 86% |
| Japan | 0 | 9 | 16% | 38% | 0% |
| Netherlands | 4 | 4 | 43% | 47% | 100% |
| Norway | 3 | 3 | 75% | 79% | 100% |
| Portugal | 2 | 13 | 0% | 0% | 17% |
| Spain | 0 | 1 | 47% | 0% | 1% |
| Sweden | 2 | 4 | 84% | 7% | 55% |
| Switzerland | 1 | 1 | 75% | 85% | 100% |
| United Kingdom | 1 | 3 | 54% | 93% | 23% |
| United Nations | 5 | 16 | 30% | 36% | 32% |
| United States | 0 | 79 | 9% | 0% | 0% |
| World Bank | 0 | 2 | 56% | 14% | 0% |
| Total | 61 | 214 | 38% | 27% | 28% |

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.

Even though Mozambique performed slightly better in 2010 than in 2007 in terms of co-ordinating technical co-operation, it did not meet the target of 50% set in the Paris Declaration. This is a setback from the 38% of co-ordinated technical co-operation that was achieved in 2005. Such a low percentage is mainly due to the fact that the top five donors of technical co-operation co-ordinated a relatively small proportion of their assistance. For example, the United States, the largest donor in this regard, does not co-ordinate any of its technical assistance. It is important to note, however, that for the 2011 Survey the government developed a more specific and restricted definition to what is or should be captured under “joint” technical co-operation, meaning that 2010 figures may not be directly comparable with previous years.

One of the major challenges on this indicator is that there is no government agency with formal responsibility for defining technical assistance needs, and as such provision is based on individual ministry or directorate assessments of need. Furthermore, some funds are designed to strengthen technical co-operation, but often lack specific government plans. According to the stakeholders’ country report, even though there is a lack of co-ordination between donors and the Government of Mozambique, there is a general consensus that national capacities have been strengthened over the past five years, particularly in the areas of public financial management.

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.

Only 47% of total aid disbursed for the government sector used Mozambique’s PFM systems in 2010. Even though Mozambique’s performance has progressed throughout previous surveys (36% in 2005 and 44% in 2007), it did not reach the target set for this indicator. Mozambique therefore needs to encourage donors to increase their use of country PFM systems. The United States disbursed the largest amount of aid to the Government of Mozambique, yet none of it used Mozambique’s PFM systems in 2010, or in previous survey years. The other major donor that did not channel aid through PFM systems was the United Nations, which only used these types of systems 5% of the time, about the same as in 2005.

Mozambique’s stakeholder report states that one of the reasons for such low performance on this indicator is the fact that the administrative court does not carry out annual audits of all institutions, and most donors require annual audit reports, reason for most of aid flows to not respect use of National Audit system. However, in general the increase in the quality of PFM systems (indicator 2a) was not accompanied by an

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 | |
| [Other donors] | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| African Dev. Bank | 76 | 32 | 31 | 31 | 38% | 41% | 41% | 37 | 38% | 44% | 49% |
| Austria | 5 | 5 | 5 | 4 | -- | 0% | 87% | 5 | -- | 0% | 91% |
| Belgium | 7 | 7 | 7 | 7 | 53% | 92% | 100% | 7 | 39% | 97% | 100% |
| Canada | 60 | 57 | 53 | 23 | 24% | 66% | 75% | 56 | 8% | 93% | 93% |
| Denmark | 61 | 39 | 36 | 18 | 34% | 44% | 51% | 60 | 54% | 82% | 98% |
| EU Institutions | 173 | 119 | 119 | 86 | 44% | 52% | 62% | 119 | 47% | 53% | 69% |
| Finland | 43 | 39 | 28 | 9 | 31% | 58% | 59% | 28 | 34% | 88% | 65% |
| France | 18 | 13 | 13 | 7 | 11% | 38% | 58% | 11 | 100% | 38% | 58% |
| GAVI Alliance | 7 | 0 | 0 | 0 | 33% | -- | 0% | 0 | 0% | -- | 0% |
| Germany | 70 | 44 | 43 | 20 | 40% | 27% | 51% | 22 | 12% | 44% | 32% |
| Global Fund | 77 | 77 | 77 | 77 | 67% | 67% | 100% | 77 | 100% | 100% | 100% |
| IFAD | 7 | 7 | 1 | 0 | -- | 67% | 36% | 0 | -- | 100% | 0% |
| IMF | -- | -- | -- | -- | 0% | -- | -- | -- | 77% | -- | -- |
| Ireland | 44 | 40 | 39 | 14 | 82% | 39% | 71% | 33 | 100% | 69% | 74% |
| Italy | 21 | 21 | 19 | 6 | 53% | 58% | 72% | 21 | 100% | 78% | 97% |
| Japan | 55 | 14 | 14 | 14 | 11% | 9% | 25% | 14 | 17% | 13% | 25% |
| Netherlands | 64 | 62 | 62 | 28 | 54% | 69% | 80% | 61 | 54% | 96% | 96% |
| Norway | 52 | 35 | 35 | 27 | 34% | 42% | 63% | 35 | 37% | 63% | 68% |
| Portugal | 108 | 3 | 2 | 2 | 9% | 11% | 2% | 102 | 9% | 16% | 94% |
| Spain | 25 | 18 | 18 | 11 | 49% | 70% | 64% | 15 | 40% | 87% | 59% |
| Sweden | 71 | 52 | 52 | 44 | 30% | 60% | 70% | 52 | 29% | 72% | 74% |
| Switzerland | 18 | 14 | 14 | 10 | 69% | 59% | 69% | 14 | 89% | 84% | 77% |
| United Kingdom | 95 | 94 | 93 | 68 | 78% | 88% | 89% | 86 | 78% | 89% | 91% |
| United Nations | 92 | 3 | 3 | 3 | 6% | 0% | 4% | 4 | 1% | 0% | 5% |
| United States | 238 | 0 | 0 | 0 | 0% | 0% | 0% | 0 | 0% | 0% | 0% |
| World Bank | 195 | 105 | 105 | 84 | 27% | 27% | 50% | 84 | 28% | 26% | 43% |
| Total | 1 683 | 902 | 871 | 593 | 36% | 44% | 47% | 942 | 38% | 54% | 56% |

increase in donors using these systems, which could demonstrate a lack of will on the part of donors to use government 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.

Mozambique has shown more improvement in using procurement systems than PFM systems. Although there is no target set for this indicator, Mozambique has significantly increased the use of procurement systems, going from 38% in 2005, to 54% in 2007, and finally 56% in 2010. This could be due to the fact that major donors, with the exception of the United States and the World Bank, have used procurement systems considerably more than PFM systems. In fact, Portugal used Mozambique's procurement systems for 94% of aid to the government sector, compared to 2% for the PFM system (again due to the audit criteria).

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.

| | Parallel PIUs | | |
|-------------------|-------------------------|-------------------------|-----------------|
| | 2005 (for reference) | 2007 (for reference) | 2010 (units) |
| [Other donors] | -- | -- | -- |
| African Dev. Bank | 13 | 11 | 0 |
| Austria | -- | 2 | 1 |
| Belgium | 0 | 0 | 0 |
| Canada | 0 | 0 | 0 |
| Denmark | 4 | 3 | 2 |
| EU Institutions | 0 | 0 | 0 |
| Finland | 0 | 0 | 0 |
| France | 1 | 0 | 0 |
| GAVI Alliance | 0 | 0 | 0 |
| Germany | 0 | 0 | 0 |
| Global Fund | 0 | 0 | 0 |
| IFAD | -- | 0 | 0 |
| IMF | 0 | -- | -- |
| Ireland | 0 | 0 | 0 |
| Italy | 0 | 5 | 0 |
| Japan | 0 | 0 | 0 |
| Netherlands | 0 | 0 | 0 |
| Norway | 0 | 0 | 0 |
| Portugal | 0 | 0 | 0 |
| Spain | 2 | 2 | 1 |
| Sweden | 0 | 0 | 0 |
| Switzerland | 0 | 0 | 0 |
| United Kingdom | 0 | 0 | 0 |
| United Nations | 3 | 0 | 0 |
| United States | 5 | 3 | 1 |
| World Bank | 12 | 0 | 0 |
| Total | 40 | 26 | 5 |

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

Much work has been done since the implementation period of the Paris Declaration in terms of eliminating parallel project implementation units (PIUs). Mozambique went from 40 PIUs in 2005, to 26 in 2007, and only 5 in 2010. Mozambique has therefore been able to surpass the target of 13 PIUs set in the Paris Declaration for 2010. The African Development Bank and the World Bank were the donors with the largest number of PIUs in 2005, with 13 and 12 respectively. Both of them were able to reduce that number to zero by 2010.

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

TABLE 8:
How much bilateral aid
is untied?

| | Total bilateral aid as reported to the DAC in 2009 | Untied aid | 2005 (for reference) | 2007 (for reference) | Share of untied aid |
|----------------|--|--------------|----------------------|----------------------|---------------------|
| Australia | 4.0 | 4.0 | 38% | 100% | 100% |
| Austria | 0.0 | 0.0 | 100% | 96% | 100% |
| Belgium | 20.6 | 20.6 | 100% | 87% | 100% |
| Canada | 279.3 | 279.3 | 85% | 63% | 100% |
| Denmark | 38.5 | 20.3 | 100% | 63% | 53% |
| Finland | 67.7 | 67.6 | 100% | 100% | 100% |
| France | 9.0 | 9.0 | 100% | 98% | 100% |
| Germany | 13.5 | 12.3 | 77% | 100% | 91% |
| Ireland | 60.9 | 60.9 | 100% | 100% | 100% |
| Italy | 25.5 | 17.9 | 57% | 54% | 70% |
| Japan | 40.5 | 40.5 | 100% | 100% | 100% |
| Korea | 69.4 | 32.7 | -- | 0% | 47% |
| Luxembourg | 0.1 | 0.1 | 100% | 100% | 100% |
| Netherlands | 61.0 | 60.7 | 98% | 97% | 100% |
| New Zealand | 0.2 | 0.2 | 100% | 100% | 100% |
| Norway | 136.5 | 136.5 | 100% | 100% | 100% |
| Portugal | 49.0 | 6.6 | 97% | 69% | 13% |
| Spain | 24.4 | 19.7 | 84% | 81% | 81% |
| Sweden | 226.9 | 226.9 | 100% | 100% | 100% |
| Switzerland | 12.6 | 12.6 | 100% | 99% | 100% |
| United Kingdom | 44.4 | 44.4 | 100% | 100% | 100% |
| United States | 320.5 | 278.3 | 45% | 81% | 87% |
| Total | 1 505 | 1 351 | 95% | 93% | 90% |

Source: OECD Creditor Reporting System.

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.

The share of untied aid to Mozambique has steadily decreased from 2005, leaving the 2010 target unmet. Of the four major donors of bilateral aid (United States, Canada, Sweden, and Norway), only the United States, the largest bilateral donor, did not untie all of its aid. Nevertheless, there have been improvements in the amount of aid that the United States has untied over time, starting with 45% in 2005, then 81% in 2007, and ending with 87% in 2010. Other donors which continued to tie a significant proportion of aid in 2010 include Denmark, Italy, Korea, Portugal and Spain. ■

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.

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.

INDICATOR 9 Using common arrangements

| | 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 | | | | |
| | [Other donors] | -- | -- | | | | |
| African Dev. Bank | 31 | 0 | 31 | 76 | 37% | 38% | 40% |
| Austria | 4 | 1 | 5 | 6 | -- | 0% | 88% |
| Belgium | 3 | 0 | 3 | 12 | 46% | 48% | 24% |
| Canada | 15 | 43 | 57 | 73 | 46% | 47% | 79% |
| Denmark | 9 | 24 | 34 | 78 | 91% | 57% | 43% |
| EU Institutions | 86 | 33 | 119 | 186 | 58% | 55% | 64% |
| Finland | 9 | 28 | 37 | 46 | 51% | 81% | 79% |
| France | 3 | 4 | 7 | 46 | 0% | 1% | 14% |
| GAVI Alliance | 0 | 0 | 0 | 7 | 0% | -- | 0% |
| Germany | 20 | 24 | 44 | 75 | 11% | 62% | 58% |
| Global Fund | 0 | 77 | 77 | 77 | 100% | 100% | 100% |
| IFAD | 1 | 0 | 1 | 7 | -- | 0% | 9% |
| IMF | -- | -- | -- | -- | 100% | -- | -- |
| Ireland | 14 | 27 | 40 | 49 | 89% | 100% | 82% |
| Italy | 5 | 8 | 13 | 26 | 53% | 15% | 50% |
| Japan | 0 | 0 | 0 | 56 | 0% | 0% | 0% |
| Netherlands | 24 | 30 | 54 | 74 | 82% | 83% | 72% |
| Norway | 27 | 9 | 35 | 67 | 56% | 58% | 53% |
| Portugal | 2 | 93 | 94 | 112 | 10% | 10% | 84% |
| Spain | 9 | 8 | 17 | 36 | 26% | 31% | 48% |
| Sweden | 44 | 9 | 54 | 82 | 62% | 55% | 65% |
| Switzerland | 7 | 7 | 14 | 28 | 49% | 56% | 51% |
| United Kingdom | 68 | 26 | 94 | 97 | 88% | 88% | 97% |
| United Nations | 0 | 4 | 4 | 103 | 27% | 17% | 4% |
| United States | 0 | 0 | 0 | 238 | 2% | 3% | 0% |
| World Bank | 83 | 22 | 105 | 195 | 28% | 35% | 54% |
| Total | 462 | 476 | 938 | 1 854 | 46% | 46% | 51% |

TABLE 9:
How much aid is
programme based?

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.

The target set for allocating aid through programme-based approaches was not met for 2010, with 51% of the aid provided to Mozambique programme based, 15 percentage points away from the target. Four of the major donors to Mozambique, the United Kingdom, Portugal, Sweden, and EU Institutions, channelled 97%, 84%, 65%, and 64% of their aid respectively, through programme-based approaches. On the other hand, the United States, the United Nations, and the World Bank, channelled 0%, 4%, and 54% respectively. If this latter group of donors was to channel a higher percentage of its aid through programme-based approaches, the percentage for this indicator would increase significantly.

According to the country survey report, there are some constraints related to co-ordination between donors. Country stakeholders report concerns around the lengthy and cumbersome process of co-ordination among donors, and the associated transaction costs as it is one of the biggest partnerships (with 21 donors).

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

INDICATOR 10a
Joint missions

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 |
|-------------------|--|---|--------------------------|--------------------------|---------------------------|
| [Other donors] | -- | -- | -- | -- | -- |
| African Dev. Bank | 5 | 23 | 21% | 26% | 22% |
| Austria | 1 | 1 | -- | 0% | 100% |
| Belgium | 0 | 0 | 100% | 0% | -- |
| Canada | 2 | 6 | 80% | 25% | 33% |
| Denmark | 5 | 6 | 90% | 44% | 83% |
| EU Institutions | 1 | 14 | 50% | 63% | 7% |
| Finland | 0 | 5 | 23% | 20% | 0% |
| France | 4 | 8 | 31% | 27% | 50% |
| GAVI Alliance | 0 | 0 | -- | -- | -- |
| Germany | 2 | 9 | 30% | 55% | 22% |
| Global Fund | 1 | 3 | 60% | 0% | 33% |
| IFAD | 2 | 7 | -- | 60% | 29% |
| IMF | -- | -- | 100% | -- | -- |
| Ireland | 1 | 1 | 63% | 0% | 100% |
| Italy | 2 | 8 | 33% | 0% | 25% |
| Japan | 0 | 9 | 0% | 0% | 0% |
| Netherlands | 3 | 6 | 100% | 100% | 50% |
| Norway | 1 | 1 | 92% | 42% | 100% |
| Portugal | 2 | 9 | 100% | 0% | 22% |
| Spain | 0 | 1 | 60% | 0% | 0% |
| Sweden | 0 | 0 | 48% | 6% | -- |
| Switzerland | 0 | 1 | 57% | 50% | 0% |
| United Kingdom | 0 | 2 | 63% | 0% | 0% |
| United Nations | 13 | 135 | 19% | 31% | 10% |
| United States | 0 | 0 | 0% | 0% | -- |
| World Bank | 19 | 23 | 30% | 20% | 83% |
| Total | 42 | 278 | 46% | 17% | 15% |

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

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.

Only 15% of all missions were co-ordinated in 2010, a setback from previous years and significantly below the target. The United Nations had the most weight on this indicator, given its large number of missions to Mozambique. The UN conducted total of 149 missions, or 58% of all missions in Mozambique, of which only 10% was co-ordinated. The African Development Bank is the donor with the second highest number of missions to Mozambique, with only 22% of missions co-ordinated. Other donors with a large number of missions were the EU Institutions, Portugal, and Japan, which co-ordinated only 7%, 22%, and 0% respectively. However, it should be noted that for the 2011 Survey the government developed a more specific and restricted definition of what was captured under “joint” missions, meaning that 2010 figures may not be directly comparable with previous years.

INDICATOR 10b
Joint country analytic
work

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.

| | Co-ordinated donor analytic work* (units) a | Total donor analytic work (units) b | 2005 (for reference) | 2007* (for reference) | 2010* (%) c = a / b |
|-------------------|---|---|-------------------------|--------------------------|---------------------------|
| [Other donors] | -- | -- | -- | -- | -- |
| African Dev. Bank | 3 | 3 | 0% | 25% | 100% |
| Austria | 0 | 1 | -- | 100% | 0% |
| Belgium | 1 | 1 | -- | 0% | 100% |
| Canada | 2 | 2 | 0% | -- | 100% |
| Denmark | 0 | 0 | 56% | 75% | -- |
| EU Institutions | 3 | 3 | 57% | 95% | 100% |
| Finland | 0 | 0 | 67% | -- | -- |
| France | 2 | 3 | 0% | 100% | 67% |
| GAVI Alliance | 0 | 0 | -- | -- | -- |
| Germany | 1 | 1 | 0% | -- | 100% |
| Global Fund | 0 | 3 | 0% | 0% | 0% |
| IFAD | 0 | 0 | -- | -- | -- |
| IMF | -- | -- | -- | -- | -- |
| Ireland | 0 | 0 | 0% | 50% | -- |
| Italy | 0 | 2 | -- | -- | 0% |
| Japan | 0 | 1 | 100% | 0% | 0% |
| Netherlands | 2 | 2 | -- | 20% | 100% |
| Norway | 0 | 0 | 88% | 33% | -- |
| Portugal | 5 | 7 | -- | -- | 71% |
| Spain | 0 | 0 | -- | -- | -- |
| Sweden | 1 | 1 | 67% | 100% | 100% |
| Switzerland | 1 | 2 | 0% | -- | 50% |
| United Kingdom | 1 | 6 | -- | 67% | 17% |
| United Nations | 9 | 27 | 73% | 50% | 33% |
| United States | 0 | 0 | 68% | 17% | -- |
| World Bank | 1 | 3 | 100% | 40% | 33% |
| Total | 24 | 68 | 63% | 32% | 35% |

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

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

Mozambique co-ordinated 35% of total analytic work in 2010, leaving the 2010 target unmet. This is a slight improvement from 2007, but a setback from 2005, when Mozambique managed to co-ordinate 63% of total analytical work. The United Nations was the donor that delivered the majority of analytical work, but only 33% of it was co-ordinated. Country stakeholders notably call for a redefinition of analytical work and its co-ordination, as differing interpretations may have led to inconsistencies in the measurement of this indicator.

AID FRAGMENTATION

Fragmented aid – aid that comes in many small slices from a large number of donors – creates high transaction costs and makes it difficult for partner countries effectively to manage their own development. Aid fragmentation also increases the risk of duplication and inefficient aid allocation among donors. A pilot analysis on fragmentation of country programmable aid carried out at the country level by the OECD in collaboration with the Deutsche Gesellschaft für Internationale Zusammenarbeit reveals that aid fragmentation increased from 2005-09 alongside an increase in country programmable aid (OECD, 2011b). In 2009, 19 donors provided altogether less than 10% of all aid to Mozambique while 17 donors provided 90% of the total aid, with an average of USD 52 million per donor. ■

MANAGING FOR RESULTS

INDICATOR 11 Do countries have results-oriented frameworks?

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.

Mozambique received a score of 'C' for its results-oriented framework, and thus did not meet the target set for 2010. Mozambique's score is a decrease from the previous survey in 2007, when it scored a 'B'. The government disagrees with this assessment reasoning that though there might have been no significant progress there was no reversal of previously established gains and the framework has already contributed to policy improvements and is rapidly evolving to meet demands.

The mechanisms in place for monitoring and evaluating the national development strategy are the PARPA II and the soon to be established PARP211-2014. These mechanisms include objectives, outcome indicators, baseline, goals, achievements, responsible institution, and indicators of product or performance. There are three mechanisms that help monitor the M&E performance, namely the "Economic and Social Plan Execution Report" presented to and approved by the National Parliament; an annual review between government, civil society, and donor partners that evaluates the Performance Assessment Framework, which is drawn from the PARPA II M&E Framework; and the Development Observatory.

While there is a monitoring and evaluation (M&E) framework in place to monitor the implementation of the PARPA-PARP, this framework is not supported by quality development information. Even though these aspects of the M&E framework are improving, they are insufficient to meet the M&E expectations as there is also an issue with timelines, given that many surveys tend to take longer than stipulated and plans are delayed. Moreover, there is a need for training on the development of indicators and developing results chains.

Mozambique has made steady progress in providing improved access to information on the PARP and public expenditure data to stakeholders. It is worth noting that the framework has already contributed to policy improvements and is rapidly evolving to meet demands. However, further work needs to be put into utilising the results of the M&E framework to feed into policy formation.

Mozambique considers that the progress made for disaggregating data by sex should receive a LEADS score of 2. This means that there is some basis for making progress. Data are not disaggregated by sex and therefore hardly used by the government. Data are available to the public, but so far there has been limited use. Donors are supporting the development of national capacities for the collection, analysis, and dissemination of this type of data. For example, donors provide significant support to national institutions like the National Institute for Surveys to collect and disseminate data disaggregated by sex. ■

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.

There is a framework for mutual accountability in Mozambique that has been in place since 2005, meeting of the 2010 target. In July 2010, the Mozambican government adopted the International Cooperation Policy and Strategy. The mutual accountability framework established the principles that govern international co-operation, including the co-ordination of foreign aid, and set out principles aligned with the five principles of the Paris Declaration. The fundamental objective of the Cooperation Policy and Strategy is to further government priorities, and reduce the levels of poverty through the promotion of rapid, sustainable and wide-ranging social and economic development.

Country stakeholders note that mutual accountability between donors and government is moderate, but that the framework is used more by donors than by government. Government officials felt that the relationship between donors and government is asymmetric, thus making real mutual accountability difficult. Therefore, it concludes that the tools exist, but are partial and not always used in a way that supports true mutual accountability. It is noteworthy that the government exerted increased leadership in 2011 on the partners' evaluation. Also of note is the increase in number of donors, with 21 donors submitting themselves voluntarily to the evaluation in 2010.

In terms of mutual accountability for gender equality and women's empowerment, there is no separate mechanism for a more comprehensive mutual accountability assessment in relation to the National Plan for the Advancement of Women (and no indicators and targets for partners). Furthermore, the mechanism for involvement of gender focal points is not yet clearly defined, particularly at the sector level. ■

NOTES

1. The National Development Strategy refers to the PRSP – the second generation was called Plano de acção da redução da Pobreza Absoluta – PARPA II and the third generation was called “Plano de acção da redução da Pobreza – PARP 2011-2014”.

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.

INDICATOR 12

Mutual accountability

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