
SUDAN

INTRODUCTION

SUDAN is a lower-middle income country with a gross national income (GNI) of USD 1 220 per capita (2009) which has grown at an average rate of 7% per annum since 2005 (WDI, 2011). It has a population of 42 million (WDI, 2011).

Sudan has rich natural resources, but its development has been held back by the conflicts that have afflicted the country for most of the period since its independence a half-century ago. The Comprehensive Peace Agreement (CPA), signed on 9 January 2005 by the Government of Sudan and the Sudan People's Liberation Movement, provided for a cessation of hostilities between the two parties. The CPA finally led to the cessation of South Sudan in the January 2011 referendum.

Net official development assistance (ODA) to Sudan in 2009 totalled USD 1 039 million (OECD, 2011). Since 2005, net ODA has averaged 6% of GNI (WDI, 2011). The top five donors contributed 61% of Sudan's core ODA (OECD forthcoming). ■

SUMMARY OF PROGRESS

PROGRESS ON THE PARIS DECLARATION INDICATORS depends on improvements by both donors and partner governments. Since 2007, Sudan has registered mixed progress. Targets have been met for three of the ten indicators with available data and targets, while seven indicators are below target. Progress has been most substantial regarding the development strategies, with Sudan improving from a D to a B score and achieving the target. On alignment, the targets for strengthened capacity through coordinated support and untied aid have been met, while the use of country systems has slightly improved since 2007, but still remains very low and the reliability of public financial management systems, alignment of aid flows to national priorities, and the predictability of aid have seen setbacks since 2007. Harmonisation indicators have scored particularly low, with all registering a setback since 2007. There was no formal mutual accountability mechanism in place in 2010, while Sudan's results-orientated framework did not meet the 2010 target – although it did register an improvement from 2007.

General challenges for aid effectiveness in Sudan include: a strong trust deficit between the government and the donor organisations, with limited institutional channels for coordination and dialogue; and no formal working relationship at the technical level between the ministries jointly responsible for aid management – the Ministry of International Cooperation, Ministry of Finance and National Economy, and Ministry of Humanitarian Affairs. However, there is a perception among all parties that windows of opportunity exist for a stronger and renewed policy dialogue. For example, line agencies display good relationships with some donors and there is potential for building on these. ■

TABLE 1:
Baselines and targets
for 2010

INDICATORS		2005 REFERENCE	2007	2010 ACTUAL	2010 TARGET
1	Operational development strategies	D	D	B	'B' or 'A'
2a	Reliable public financial management (PFM) systems	2.5	2.0	2.0	3.0
2b	Reliable procurement systems	Not available	Not available	Not available	No Target
3	Aid flows are aligned on national priorities	--	85%	35%	85%
4	Strengthen capacity by co-ordinated support	--	53%	59%	50%
5a	Use of country PFM systems	--	3%	14%	No Target
5b	Use of country procurement systems	--	0%	8%	No Target
6	Strengthen capacity by avoiding parallel PIUs	--	105	111	No Target
7	Aid is more predictable	--	52%	36%	No Target
8	Aid is untied	86%	71%	88%	More than 86%
9	Use of common arrangements or procedures	--	19%	1%	66%
10a	Joint missions	--	15%	12%	40%
10b	Joint country analytic work	--	45%	38%	66%
11	Results-oriented frameworks	--	D	C	'B' or 'A'
12	Mutual accountability	Not available	N	N	Y

TABLE 2:
Learning from success
and challenges

	ACHIEVEMENT OR CHALLENGE	LESSON OR PRIORITY ACTION
Ownership	Achievement: Sudan has substantially improved the operability of its national development strategy. It is linked to a long-term vision, supporting sectoral and sub-national strategies and has prioritised targets and links to the Millennium Development Goals and cross-cutting issues.	Lesson: Progress in achieving prioritised targets is documented through regular reports that are cross-checked with independent evaluation and site visits. The links to the Millennium Development Goals are strengthened through country localisation and integration into sector strategies and annual targets. Specific mechanisms ensure linkages with cross-cutting issues.
Alignment	Challenge: The reliability of country public financial management systems is low.	Priority action: Sudan currently has a wide range of reforms in action. The challenge is to ensure that these are effectively followed through.
Harmonisation	Challenge: Almost no use of programme-based approaches.	Priority action: Ensure donors increase use of budget support and programme-based approaches in accord to priorities set out in the forthcoming national development strategy.
Managing for results	Achievement: Coverage of the monitoring and evaluation framework is sectorally and geographically comprehensive, with progress against the national development strategy reported regularly.	Lesson: More reliable indicators were made available after the conclusion of the fifth population census in 2009 and the Sudan Household Survey – conducted in 2010 with the help of international partners and line ministries.
Mutual accountability	Challenge: A mutual accountability framework is not in place.	Priority actions: Ensure government-donor forums (currently in place), and the Sudan aid information database form an effective basis for developing a mutual accountability mechanism.

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. A degree of caution should be taken when analysing the trends shown by some of the indicators. The 2011 survey responses cover 19 donors and 84% of Sudan's core ODA.

Sudan participated in the Paris Declaration Monitoring Survey for the second time in 2011. In both 2008 and 2011 surveys, donors were invited to provide information on all their support to Sudan while a separate data collection and reporting would be prepared for South Sudan. However, for the 2011 Survey, the Government of Sudan reports that not all donors were able to provide comprehensive information. Twelve bilateral donors, four UN agencies, two International Financial Institutions, the GAVI Alliance and the EU Institutions participated in 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.

Sudan was assessed a score of B regarding the operationality of its national development strategy, meeting the 2010 target and a large improvement from a D score in 2007. Sudan's current national development strategy (NDS) is the Five-Year Strategic Plan (2007-11), providing a framework for focusing and coordinating peace and development efforts at the national level. The NDS is underpinned by a long-term vision, the 25 Year Development Strategy formulated in 2005-06. With the support of the African Development Bank, the Ministry of Finance is currently leading the formulation a Poverty Reduction Strategy Paper, which is expected to be completed in 2011 and will form the new national development strategy.

Each key result area in the NDS is linked to the development goal of each sector of the long-term vision. The organisational structure of the government machinery is restructured accordingly to respond to the institutional needs of the key results areas. Each line ministry has a sectoral development strategy in line with the NDS. At the state level, a state development strategy encompasses all the sectoral development strategies. Each key result area in the NDS includes inter-related and relevant sectors. Sudan's NDS has prioritised targets, whose achievement is monitored through regular reports that are cross checked with independent evaluation and site visits. The NDS links to all the Millennium Development Goals, which are localised and reflected in the sectoral development strategies and annual targets. The NDS also links to cross-cutting issues

INDICATOR 1

Do countries have operational development strategies?

through mechanisms specific to each issue. Gender is mainstreamed and each line ministry is mandated to have a separate unit for women development in its organisational structure to ensure gender sensitive budgeting and gender balance in the functional structure of the line ministry.

The NDS is costed at the project level according to priorities. It is also linked to a medium-term financial framework (MTFF) in which the budget ceiling, set by the MTFF, is sectorally allocated in the regular budgeting cycle according to priority areas of the NDS. Sector priorities are derived from national priorities and reflected in the budget. Notably, a results-based monitoring and evaluation system has recently been introduced by the National Planning Council, the Ministry of Finance and other oversight entities. Programme-based budgeting has been adopted, although not yet operationalised. Budgets are now based on the evaluation of the past performance, internal and external socio-economic changes and urgent emerging needs.

In Sudan a range of stakeholders (community leaders/figures, sectors, trade unions, the private sector and civil society organisations (CSOs)) are involved in the formulation of national strategies from the bottom up. At the local level, formulation of development strategies and programs takes place through a Locality Strategic Planning Council. Plans from localities across the state are submitted to the State Strategic Planning Council, after which local priorities are linked with sectoral priorities in a state development document. The council has wide membership of CSOs, trade unions, women unions, youth unions, army and police and community figures. All states then submit approved plans to the National Council for Strategic Planning, and the NDS is formulated accordingly. Federal ministers, state governors, CSOs and other stakeholders are involved in approval. The last step is approval by the national Parliament. ■

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.

Out of four alignment indicators with applicable targets, two have been met (strengthening capacity through coordinated support and untied aid), while targets regarding the reliability of public financial management systems, alignment of aid flows to national priorities have not been met. In fact, there have been setbacks on both of the latter, as well as on parallel project implementation units and aid predictability. Figures for aid alignment, however, may not reflect the full picture, since a significant proportion of aid to Sudan is implemented through multilateral agencies and a multi-donor trust fund (MDTF), both of which are relatively aligned to national priorities.

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.

INDICATOR 2 Building reliable country systems

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

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.

In 2010, Sudan was given a score of 2.0 on the reliability of its PFM systems. This is a setback from 2005, in which Sudan received a 2.5. Nevertheless, the government is undertaking efforts to strengthen its PFM systems. A clear legal framework for PFM, specifying the schedule and procedures by which the budget should be prepared, approved, executed and accounted for is to be set out in order to enforce transparency and accountability. Recent reform measures, supported by the IMF, include restructuring the budget to reflect sub-national transfers, computerising the budget performance reporting system, training on functional budget classification, and establishment of a high level committee to help ensure allocation and monitoring of federal government resources in line with budget priorities. Internal audit has also been reinforced and an anti-corruption commission has been formed. Human capacity development programmes have been implemented to upgrade the skills, knowledge and ethics of the staff working in PFM and aid management across the government. The Sudanese government considers that the score on PFM may not fully reflect reforms to date and notes that as a result of recent efforts, the corruption rate has declined by 35% in 2010 in relation to 2009, according to the Auditors General.

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.

INDICATOR 2b
How reliable are country procurement systems?

Sudan's country procurement systems have not been assessed and no target is applicable. However, in recent years, major reforms have been undertaken in procurement with the introduction of the Public Procurement, Contracting and Dispose of Public Assets Law. With assistance from the World Bank, the law was issued and endorsed in June 2010 with the regulatory act finalised and mandated in March 2011. Part of the act includes the formation of the independent Appeals Committee to promote transparency and legislation and procedures. The law will enhance the transparent participation of the private sector in procurement. Capacity development programmes in procurement are planned at the federal and state levels after an initial assessment has been conducted.

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 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 85% 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)	(for reference)	(for reference)	(%) c = a / b	(%) c = b / a	
African Dev. Bank	0	4	--	--	--	--	0%	0%	2
Canada	0	22	--	--	--	0%	0%	--	53
Denmark	0	0	--	--	--	0%	--	--	11
EU Institutions	52	120	--	--	--	44%	43%	--	11
Finland	--	--	--	3%	--	--	--	--	0
France	0	0	--	24%	--	--	--	--	4
GAVI Alliance	0	15	--	--	--	--	0%	--	0
Germany	0	7	--	--	--	0%	0%	--	5
Global Fund	--	--	--	--	--	--	--	--	0
Greece	--	--	--	0%	--	--	--	--	0
Italy	0	2	--	--	--	--	0%	--	3
Japan	3	60	--	57%	--	5%	--	--	8
Netherlands	0	23	--	2%	--	0%	--	--	37
Norway	0	6	--	8%	--	0%	--	--	49
Spain	0	0	--	0%	--	--	--	--	0
Sweden	0	0	--	22%	--	--	--	--	25
Switzerland	0	6	--	--	--	--	0%	--	0
Turkey	0	7	--	--	--	--	0%	--	0
United Kingdom	0	43	--	73%	--	0%	--	--	31
United Nations	255	252	--	0%	--	--	99%	--	3
United States	21	272	--	87%	--	8%	--	--	0
World Bank	21	169	--	--	--	69%	12%	--	60
Average donor ratio			--	24%	--	11%			
Total	352	1 007	--	85%	--	35%			301

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

In 2010, 35% of disbursed aid was accurately estimated in the government's budget, a significant setback from 85% in 2007. However, the Government of Sudan reported that data for 2010 do not capture aid flows for the whole country since some donors only provided figures excluding South Sudan. Of major donors to Sudan, the United Nations had almost all aid accurately estimated, followed by the European Institutions (43%) and the World Bank (12%). All other donors registered less than 10%.

Despite the low overall score, the government considers that ODA-funded projects in Sudan are largely in alignment with national priorities. This mostly reflects the fact that development partners channel significant funds through a Multi-Donor Trust Fund (MDTF) administered by the World Bank, and that multilateral agencies, such as the United Nations and EU Institutions, for the most part align with the government's priorities set out in the NDS. Under the MDTF, all the projects are endorsed by the government before submission to an oversight committee. This requirement has provided a strong basis for government ownership and leadership. In addition, all MDTF national project proposals are screened and reviewed through thematic working groups to ensure consistency with sector policies and priorities.

Furthermore, significant efforts are being made by Ministry of International Cooperation to ensure that donors disclose ODA information to the relevant government authorities. The web-based Sudan Aid Information Database (SAID) at <http://said.mic.gov.sd/> is being developed in order to collect and disseminate updated, accurate and comprehensive aid-related information on ongoing and planned projects. This database will help ensure accurate data on ODA is maintained and shared with key stakeholders across government and development partners.

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

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
African Dev. Bank	0	0	--	--	--	--	--	4		0%	
Canada	0	0	--	0%	--	--	22		0%		
Denmark	0	0	--	--	--	--	0	--			
EU Institutions	12	0	--	32%	--	0%	120		0%		
Finland	--	--	--	0%	--	--	--	--			
France	0	0	--	96%	--	--	0	--			
GAVI Alliance	0	16	--	--	--	0%	15	93%			
Germany	0	9	--	0%	--	0%	7	78%			
Global Fund	--	--	--	--	--	--	--	--			
Greece	--	--	--	0%	--	--	--	--			
Italy	0	0	--	--	--	--	2		0%		
Japan	8	60	--	96%	14%		60	100%			
Netherlands	0	14	--	24%	0%		23		61%		
Norway	0	24	--	40%	0%		6	26%			
Spain	0	0	--	--	--	--	0	--			
Sweden	0	0	--	10%	--	--	0	--			
Switzerland	0	0	--	--	--	--	6		0%		
Turkey	0	0	--	--	--	--	7		0%		
United Kingdom	0	0	--	66%	--	--	43		0%		
United Nations	265	167	--	0%		63%	252		66%		
United States	21	327	--	1%	7%		272	83%			
World Bank	21	288	--	34%	7%		169	59%			
Average donor ratio			--	28%	10%				38%		
Total	328	906	--	52%	36%		1 007		90%		

* 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 with indicator 3, aid predictability has also registered a setback since 2007, reducing from 52% to 36% in 2010. No target is applicable, however. The United Nations scored highest at 63%, followed by Japan at 14%. All remaining donors to Sudan had less than 10% of disbursed aid recorded in public accounts. Most bilateral donors do not announce planned figures except the UN, the MDTF (World Bank) and EU Institutions

which have medium-term planned estimates. Discrepancies are due to a number of reasons, including: actual disbursements being above that planned due to supplementary donor funding; donors reporting total disbursements which may have included humanitarian support; the fact that many bilateral donors do not co-operate and disclose their figures, knowing that most of the government numbers are indirect through multilaterals; lack of multi-year financial planning among bilateral donors; and problematic ODA data management within government (which as previously noted is administered over three agencies.)

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.

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.

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
African Dev. Bank	0	2	--	--	0%
Canada	0	14	--	0%	0%
Denmark	0	0	--	--	0%
EU Institutions	4	6	--	46%	68%
Finland	--	--	--	--	--
France	4	5	--	30%	69%
GAVI Alliance	0	0	--	--	--
Germany	0	7	--	0%	0%
Global Fund	--	--	--	--	--
Greece	--	--	--	46%	--
Italy	0	1	--	--	0%
Japan	23	23	--	100%	100%
Netherlands	0	9	--	37%	0%
Norway	5	27	--	88%	20%
Spain	0	0	--	0%	--
Sweden	6	6	--	--	100%
Switzerland	0	1	--	--	0%
Turkey	6	7	--	--	88%
United Kingdom	0	13	--	96%	0%
United Nations	208	213	--	16%	98%
United States	4	127	--	100%	3%
World Bank	31	36	--	8%	86%
Total	291	497	--	53%	59%

In 2010, 59% of technical co-operation was aligned with country programmes, meeting the target of 50%, but representing only a marginal increase from 2007. Among major donors to Sudan, the United Nations and Japan coordinated fully their technical cooperation, followed by the World Bank (86%). Other major donors scored significantly lower, with the United States (the second largest donor in this regard) registering only 3%. The government has notably formed a dedicated ministry for capacity development (Ministry of Human Resources Development) and efforts are focused on enforcing a national capacity development strategy in co-ordination with donors. However, in comparison to post-conflict situations in other countries, there is limited level of capacity development and technical assistance to the Sudanese government.

The highly complex and politically sensitive environment makes strengthening institutional capacity challenging. Despite this, several major projects and technical assistance activities are undergoing to support capacity development in areas regarding aid management, judicial affairs, electoral processes, the national census, and PFM and procurement. Given many projects are funded by a range of bilateral donors through the UN or the MDTF, a strengthened approach to capacity development is facilitated. However, capacity development activities have, for the most part, focused on human capacity rather than broader organisational or institutional capacity.

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 5

Using country systems

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

	Aid disbursed by donors for government sector (USD m) a	Public financial management						Procurement			
		Budget execution (USD m) b	Financial reporting (USD m) c	Auditing (USD m) d	2005 (for reference)	2007 (for reference)	2010 (%) avg(b,c,d)/a	Proc. systems (USD m) e	2005 (for reference)	2007 (for reference)	2010 (%) e / a
African Dev. Bank	4	0	0	0	--	--	0%	0	--	--	0%
Canada	22	0	0	0	--	--	0%	0	--	--	0%
Denmark	0	0	0	0	--	--	--	0	--	--	--
EU Institutions	120	0	0	0	--	0%	0%	0	--	0%	0%
Finland	--	--	--	--	--	0%	--	--	--	0%	--
France	0	0	0	0	--	0%	--	0	--	0%	--
GAVI Alliance	15	0	0	0	--	--	0%	0	--	--	0%
Germany	7	0	0	0	--	0%	0%	0	--	0%	0%
Global Fund	--	--	--	--	--	--	--	--	--	--	--
Greece	--	--	--	--	--	0%	--	--	--	0%	--
Italy	2	0	0	0	--	--	0%	0	--	--	0%
Japan	60	0	0	0	--	0%	0%	9	--	0%	14%
Netherlands	23	0	0	0	--	0%	0%	0	--	0%	0%
Norway	6	0	0	0	--	0%	0%	0	--	0%	0%
Spain	0	0	0	0	--	0%	--	0	--	0%	--
Sweden	0	0	0	0	--	0%	--	0	--	0%	--
Switzerland	6	0	0	0	--	--	0%	0	--	--	0%
Turkey	7	0	0	0	--	--	0%	0	--	--	0%
United Kingdom	43	0	0	0	--	0%	0%	0	--	0%	0%
United Nations	252	74	74	74	--	0%	29%	69	--	3%	27%
United States	272	0	0	33	--	0%	4%	0	--	0%	0%
World Bank	169	0	0	169	--	22%	33%	0	--	0%	0%
Total	1 007	74	74	276	--	3%	14%	77	--	0%	8%

INDICATOR 5a

Use of country public financial management 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 14% of aid used country PFM systems in 2010, a marginal increase from 2007. No target is applicable for this indicator. Only three donors channelled aid through country PFM systems: the World Bank (33%), United Nations (29%), and United States (4%). The significant majority of this aid utilised government audit systems, rather than budget execution and financial reporting. Currently, there are limited efforts to align with country systems. Although there have been substantial PFM reforms, these are not very well recognised by the donors due to current mutual mistrust and the lack of regular, meaningful and systematic dialogue. Donors are therefore channelling most ODA through the MDTF, UN agencies, or directly through contractors and NGOs.

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, the use of country procurement systems was recorded at 8%, a slight increase from 2007 in which no aid was channelled through country systems. Only two donors made any use of country procurements systems, Japan (14%) and the United Nations (27%). After the implementation of a new procurement law built on international standards in close consultation with the World Bank (as detailed in indicator 2b), it is likely that use of country procurement systems will increase.

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.

In 2011, the number of parallel project implementation units increased marginally from 105 to 111. This clearly indicates an undermining of the government systems and capacities, with the goal of capacity building lost in the process. Of most concern to the government is the use of direct execution modalities, rather than parallel PIUs themselves. Direct execution modalities account for the majority of aid in 2010. Nevertheless, there are reforms underway in country PFM and procurement systems and a national capacity plan by the new Ministry of Human Resources Development has been developed. The situation will also need a regular systematic policy dialogue between the partners to make the required improvements. Efforts have also notably been made by the EU Institutions and the government to strengthen the implementation capacity of the National Authorising Officer to execute EU-funded projects.

	Parallel PIUs		
	2005 (for reference)	2007 (for reference)	2010 (units)
African Dev. Bank	--	--	2
Canada	--	67	37
Denmark	--	0	6
EU Institutions	--	4	2
Finland	--	0	--
France	--	0	0
GAVI Alliance	--	--	0
Germany	--	2	4
Global Fund	--	--	--
Greece	--	0	--
Italy	--	--	0
Japan	--	0	0
Netherlands	--	0	0
Norway	--	0	17
Spain	--	0	0
Sweden	--	5	0
Switzerland	--	--	0
Turkey	--	--	0
United Kingdom	--	1	6
United Nations	--	6	0
United States	--	20	37
World Bank	--	0	0
Total	--	105	111

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.

In 2010, 88% of aid to Sudan was untied, meeting the target. Most bilateral donors to Sudan untied all their aid, with the exception of Switzerland (72%), Italy (74%), United States (79%), Spain (89%) and Germany (98%). These figures reflect the fact a significant proportion of aid to Sudan is channelled through the Sudan Multi-Donor Trust Fund in which tied aid (and earmarking) is not permitted.

CONDITIONALITY

Aid to Sudan generally has many conditions, including political conditionalities and the tying of EU Institutions’ resources. In addition, some bilateral donors specify technical and administration conditions through UN agencies or NGOs. Some bilateral donors have applied sanctions according to political considerations, resulting in the suspension of development cooperation. ■

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	7.8	7.8	80%	100%	100%
Austria	0.1	0.1	63%	99%	100%
Belgium	2.1	2.1	100%	87%	100%
Canada	84.6	84.6	57%	60%	100%
Denmark	36.9	36.9	100%	100%	100%
Finland	12.0	12.0	98%	100%	100%
France	5.4	5.4	62%	66%	100%
Germany	26.2	25.7	33%	99%	98%
Greece	0.6	0.6	100%	51%	96%
Ireland	14.9	14.9	100%	100%	100%
Italy	14.0	10.3	15%	17%	74%
Japan	117.5	117.5	100%	100%	100%
Korea	0.0	0.0	--	0%	--
Luxembourg	3.6	3.6	100%	100%	100%
Netherlands	138.7	138.7	100%	100%	100%
New Zealand	0.6	0.6	67%	100%	100%
Norway	85.0	85.0	100%	100%	100%
Portugal	0.0	0.0	--	--	--
Spain	22.8	20.3	96%	99%	89%
Sweden	60.6	60.6	100%	100%	100%
Switzerland	7.6	5.5	98%	85%	72%
United Kingdom	309.6	309.6	--	100%	100%
United States	1141.5	906.6	78%	54%	79%
Total	2 092	1 848	86%	71%	88%

Source: OECD Creditor Reporting System.

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.

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.

Only 1% of aid to Sudan in 2010 was provided through PBAs, a setback from 2007 and significantly below the 66% target for 2010. No donors made any notable use of PBAs, with the exception of France (7%) and Sweden (26%). In recent years, external partners have started moving towards common arrangements for

INDICATOR 9 Using common arrangements

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)	Other PBAs (USD m)	Total (USD m)				
	a	b	c = a + b				
African Dev. Bank	0	0	0	4	--	--	0%
Canada	0	0	0	24	--	0%	1%
Denmark	0	0	0	13	--	0%	0%
EU Institutions	0	0	0	149	--	19%	0%
Finland	--	--	--	--	--	80%	--
France	0	2	2	27	--	0%	7%
GAVI Alliance	0	0	0	15	--	16%	0%
Germany	0	0	0	7	--	0%	0%
Global Fund	--	--	--	--	--	--	--
Greece	--	--	--	--	--	86%	--
Italy	0	0	0	2	--	--	0%
Japan	0	0	0	61	--	0%	0%
Netherlands	0	0	0	42	--	30%	0%
Norway	0	0	0	44	--	93%	0%
Spain	0	0	0	27	--	72%	0%
Sweden	0	10	10	40	--	64%	26%
Switzerland	0	0	0	6	--	--	0%
Turkey	0	0	0	10	--	--	0%
United Kingdom	0	0	0	49	--	42%	0%
United Nations	0	5	5	331	--	12%	2%
United States	0	0	0	272	--	0%	0%
World Bank	0	0	0	169	--	0%	0%
Total	0	17	18	1 293	--	19%	1%

providing development assistance in Sudan. Of the most significant aid modalities in Sudan, The Sudan Multi-Donor Trust Fund (MDTF) – for which 15 donor partners contribute – is one vehicle for harmonised donor support in Sudan, but does not qualify fully as a PBA. The United Nations Development Assistance Framework (UNDAF) constitutes a PBA to some extent, although it is based on direct execution modalities.

Challenges to expanding PBAs include low capacity among government staff and institutions, and the misalignment of donors' funding cycles due to different fiscal calendars. The most significant challenge, however, is the absence of meaningful, systematic and regular dialogue regarding the establishment of common based arrangements between the government and the donors. Steps should be taken to improve relations as a step to resume cooperation with bilateral donors. Currently there are loose arrangements between government and donors, with no direct agreements, and no strategic long term frameworks with many bilateral donors.

The government is in the process of formalising a new national development strategy based on priority and results orientated areas, providing an opportunity for all donors to align their plans (*e.g.* the Agriculture Revival Programme). The strategy will formalise donor harmonisation and encourage the use of government systems. Efforts to reform PFM and procurement systems may encourage donors to significantly increase use of general budget support, which is currently non-existent. Currently, the project support modality represents more than 90% of aid.

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.

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
African Dev. Bank	1	7	--	--	14%
Canada	0	17	--	0%	0%
Denmark	0	3	--	100%	0%
EU Institutions	0	8	--	33%	0%
Finland	--	--	--	33%	--
France	0	48	--	--	0%
GAVI Alliance	0	0	--	100%	--
Germany	0	5	--	33%	0%
Global Fund	--	--	--	33%	--
Greece	--	--	--	--	--
Italy	0	4	--	--	0%
Japan	0	9	--	0%	0%
Netherlands	4	7	--	--	57%
Norway	1	7	--	--	14%
Spain	0	8	--	0%	0%
Sweden	4	8	--	20%	50%
Switzerland	1	9	--	--	11%
Turkey	30	34	--	--	88%
United Kingdom	1	7	--	40%	14%
United Nations	8	36	--	40%	22%
United States	4	45	--	--	9%
World Bank	4	45	--	18%	9%
Total	38	307	--	15%	12%

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

In 2010, 12% of donor missions were conducted jointly, a setback from 2007 and below the 40% target. Of major donors in this regard, Turkey registered the highest figure (88%), followed by the United Nations (22%). The United States, the World Bank and France, which all conducted at least 45 missions in 2010, score particularly low. Attempts at increasing joint missions are being made – for example, joint missions have been conducted during the MDTF project preparation and supervision. Nevertheless, there is scope for better coordination of missions, and possibly a large reduction in the number of total reported missions. Greater efforts could be made by partners to consider the planning cycles of the government (*e.g.* budget preparation). This would significantly reduce distraction and yield better prepared government staff to accommodate missions.

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.

In 2010, 38% of country analytic work was coordinated, a setback from 2007 and below the 2010 target. Of major donors in this regard, the World Bank and Turkey score highest (100% and 90% respectively), followed by the United Nations at 63%. The majority of remaining donors score significantly lower. Generally joint analytical work in Sudan is funded from various sources, such as trust funds established by various individual donors (bilateral trust funds), the MDTF, or the World Bank's budget. Flagship initiatives include the Joint Assessment Mission, Darfur Joint Assistance Mission, the Public Expenditure Review, and UN Common Country Assessments. Such initiatives involved extensive consultation between donor partners and the government. ■

	Co-ordinated donor analytic work* (units) a	Total donor analytic work (units) b	2005* (for reference)	2007* (for reference)	2010* (%) c = a / b
African Dev. Bank	2	5	--	--	40%
Canada	1	2	--	100%	50%
Denmark	0	2	--	--	0%
EU Institutions	4	4	--	75%	100%
Finland	--	--	--	--	--
France	0	2	--	--	0%
GAVI Alliance	0	0	--	--	--
Germany	0	14	--	0%	0%
Global Fund	--	--	--	--	--
Greece	--	--	--	0%	--
Italy	1	2	--	--	50%
Japan	0	0	--	--	--
Netherlands	1	3	--	50%	33%
Norway	0	1	--	--	0%
Spain	0	0	--	--	--
Sweden	2	2	--	0%	100%
Switzerland	0	0	--	--	--
Turkey	19	21	--	--	90%
United Kingdom	2	8	--	28%	25%
United Nations	5	8	--	69%	63%
United States	4	14	--	100%	29%
World Bank	6	6	--	80%	100%
Total	35	94	--	45%	38%

* 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.

Sudan was rated a score of C regarding its results-based performance assessment framework, an improvement from 2007 but below the 2010 target. Sudan's national development strategy has a M&E framework. The M&E framework is implemented at the state and federal levels down to the locality level. One report from each state is consolidated into a unified states report and a federal report including CSOs in the process. These are then consolidated by the Strategic Planning Council, assessed by an independent committee and the Council of ministers. The report is then presented to the council's high-level committee and then to the National Strategic Council Assembly headed by the President of Sudan and including all stakeholders and CSOs.

INDICATOR 11
Do countries have results-oriented frameworks?

Coverage of the M&E framework is sectorally and geographically comprehensive. Progress against the NDS is reported quarterly, semi-annually and annually. Data coverage of the qualitative and quantitative indicators of the NDS is comprehensive. About 60% of the quantitative indicators have baseline data. The national data system includes a population census, household survey, GDP, poverty survey, and other surveys at reasonable frequencies. More reliable indicators are now available after the conclusion of the fifth population census in 2009 and the Sudan Household Survey was conducted in 2010 with the help of international partners and line ministries. The data have the quality and reliability needed to meet M&E requirements, although details concerning how this is ensured are unclear.

The NDS and progress reports are publically available on the internet (now website details available), electronically, and in hardcopy, in English and Arabic. The strategy is widely distributed freely to stakeholders and general public and for research purposes. It is sent to all embassies and missions over the world. Public expenditure data are publically available on the internet, electronically, and in hardcopy and on an annual basis, both in Arabic and English.

Sudan's national M&E system tracks input, output, and outcome indicators identified in the NDS. M&E reports are utilised, although details of usage – by whom, for what decisions – are not available. The evolution of the national M&E system is relatively recent, started in the last five years as a part of the NDS. ■

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.

In 2010, Sudan did not have a formal mutual accountability system in place, leaving the 2010 target unmet. While there is no functional framework to assess aid effectiveness, the Joint Assistance Mission Monitoring Framework (an input into the NDS) includes a number of indicators to assess both government and external partner performance toward improved aid effectiveness, in line with the targets of the Paris Declaration on aid effectiveness.

For Sudan, the most constructive forum for mutual accountability is the regular Sudan Consortium meeting, which brings together Sudanese authorities and international partners, including NGOs, and CSOs, to review progress on policy commitments and to renew donor financial pledges. The fourth such meeting was held in 2008. More frequent meetings take place within the Oversight Committee of the Sudan MDTF, where the government reviews implementation of agreed upon programmes with donors. Mid-term review meetings of the UN-government country programme action plans and the UN-government annual review meetings also constitute forums for mutual assessment. The government has, however, noted a strong trust deficit between with donor organisations.

The Sudan Aid Information Database (SAID) is the government repository for all external assistance launched in 2009, with the support from UNDP and EU Institutions. This database will include added sections on the Paris Declaration indicators and follow-up to aid effectiveness commitments. The SAID, which contains data for all external interventions in Sudan (by sector, geographical location, and by donor), will be a key input in the establishment of a formal mutual accountability mechanism. ■

NOTES

The quantitative information presented in this 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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