
SWAZILAND

INTRODUCTION

SWAZILAND is a lower middle-income country with a gross national income (GNI) of USD 2 430 per capita (2009) which has grown at an average rate of 2% per annum since 2005 (WDI, 2011). It has a population of approximately 1.1 million, 63% of whom lived under the 1.25 dollar-a-day income poverty line in 2001 (WDI, 2011).

Swaziland is experiencing rising food insecurity with an estimated 21% of the population considered to be food insecure. In addition Swaziland has the highest HIV prevalence rate in the world, at 26% of the adult population. These difficulties are reflected in declining real growth in the gross domestic product (GDP), although the country recorded a mild return to increasing growth rate of GDP in 2010.

Net official development assistance (ODA) to Swaziland in 2009 totalled USD 58 million (OECD, 2011a). Since 2005, net ODA has averaged 2% of GNI (WDI, 2011). The top five donors provided 85% of Swaziland's core ODA (OECD, forthcoming). ■

SUMMARY OF PROGRESS

PROGRESS ON THE PARIS DECLARATION INDICATORS depends on improvements by both donors and partner governments. Swaziland participated in the Paris Declaration Monitoring Survey for the first time in 2011. Of nine indicators with applicable targets, two have been met. The operationality of Swaziland's national development strategies is low, leaving the 2010 target unmet. On alignment, two out of three indicators with applicable targets have been met (strengthened capacity through co-ordinated support and untied aid) and the predictability of aid is high. However, no aid flows were accurately estimated on budget, and the use of country systems is low. All harmonisation indicators are significantly below target, results-oriented frameworks are weak and below target, while no mutual accountability mechanism is in place. To accelerate progress on aid effectiveness, country stakeholders recommend the formulation of an aid effectiveness operational strategy, the establishment of an aid co-ordination forum for donors, improved reporting of aid flows, and stronger monitoring and evaluation of aid activities.

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.

TABLE 1:
Baselines and targets
for 2010

	INDICATORS	2005 REFERENCE	2007	2010 ACTUAL	2010 TARGET
1	Operational development strategies	--	--	D	'B' or 'A'
2a	Reliable public financial management (PFM) systems	--	--	--	No Target
2b	Reliable procurement systems	Not available	Not available	Not available	No Target
3	Aid flows are aligned on national priorities	--	--	0%	85%
4	Strengthen capacity by co-ordinated support	--	--	78%	50%
5a	Use of country PFM systems	--	--	4%	No Target
5b	Use of country procurement systems	--	--	12%	No Target
6	Strengthen capacity by avoiding parallel PIUs	--	--	3	No Target
7	Aid is more predictable	--	--	94%	No Target
8	Aid is untied	91%	90%	92%	More than 91%
9	Use of common arrangements or procedures	--	--	25%	66%
10a	Joint missions	--	--	18%	40%
10b	Joint country analytic work	--	--	23%	66%
11	Results-oriented frameworks	--	--	D	'B' or 'A'
12	Mutual accountability	Not available	Not available	N	Y

TABLE 2:
Learning from success
and challenges

	ACHIEVEMENT OR CHALLENGE	LESSON OR PRIORITY ACTION
Ownership	Challenge: The operability of Swaziland's national development strategies (NDS) is low.	Priority action: Improve the link between the NDS and long term vision, including mechanisms for attaining prioritised targets; Strengthen the link between strategic priorities and resource allocation.
Alignment	Challenge: Limited use of country systems by donors and limited recording of aid on budget.	Priority action: Government should take a greater lead in encouraging the use of country systems among donors and in improving their reliability; Improve the link between policy formulation and budgeting.
Harmonisation	Challenge: Limited use of programme-based approaches.	Priority action: Greater efforts are needed to develop programme-based approaches and promote their use.
Managing for results	Challenge: Lack of a co-ordination structure and institutional responsibility to monitor and evaluate national development strategies.	Priority action: Establish a centralised monitoring and evaluation unit to ensure co-ordinated and comprehensive reporting on progress; track input, output, and outcome indicators identified in the NDS and promote their utilisation among policy makers and line ministries.
Mutual accountability	Challenge: Lack of assessment of country-level aid effectiveness targets by both government and donors.	Priority action: Institutionalise mutual accountability frameworks for regular and periodic assessments of country-level aid effectiveness targets.

The 2011 Survey was managed by a National Co-ordinator and donor focal points provided support. Survey responses cover six donors and 80% of Swaziland's core ODA. Through stakeholder validation workshops, feedback was obtained from a wide range of stakeholders including representatives from Parliament, government departments, donors and civil society. ■

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.

In 2010 Swaziland was assessed a D regarding its development strategies, leaving the 2010 target unmet. Swaziland has a national development strategy (NDS), Yingcamu 2006-22, which is designed to implement the country's long term vision, Vision 2022. However, the mechanisms supporting this link are not well defined. Sector strategies are linked to the NDS and there is some evidence that policymakers use the NDS as a reference for identifying priority areas. The NDS includes prioritised targets, but the mechanism for attaining these targets has not been well developed. Millennium Development Goals are included in the NDS, as are cross-cutting themes, although they do not appear to be well integrated or mainstreamed. The strategic link to the budget is weak, and considering the lack of costing in the strategy, there are vague linkages between the NDS and the medium-term fiscal framework (MTFF)/budget process, as well as between sector strategies and the medium-term expenditure framework (MTEF). There is only minimal evidence of performance orientation in the budget process.

The NDS was developed through consultation with a broad spectrum of organisations including Parliament, civil society, traditional leaders and the private sector. However, the government has acknowledged that the monitoring and the subsequent reporting on the implementation of its development strategies have not been very effective outside of Cabinet. There are concerns about the weak transition from planning into implementing Swaziland's development strategies. It is expected that the 2011 Paris Declaration Monitoring Survey process will initiate a dialogue and create the awareness for the country to reaffirm its ownership of the aid agenda and put in place appropriate co-ordination mechanisms to ensure it exercises effective leadership. ■

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.

INDICATOR 1

Do countries have operational development strategies?

INDICATOR 2

Building reliable country systems

Swaziland met two out of three alignment indicators with applicable targets in 2010: strengthened capacity through co-ordinated support and untied aid. Aid predictability is relatively high for some donors. However, no aid flows were accurately estimated on budget, and the use of country systems is low. Quantitative and qualitative evidence suggests that there is need for significant improvement before Swaziland meets the 2010 alignment targets of the Paris Declaration. Importantly, there is reluctance amongst many donors to use either Swaziland's public financial management or procurement systems.

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

INDICATOR 2a

How reliable are country public financial management systems?

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

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

Swaziland was not assessed on the reliability of its PFM systems in 2010 and no target was applicable. However, the Government of Swaziland has undertaken a number of initiatives to reform public financial systems. These include: implementing a Public Finance and Management Act; planning to integrate the PFM systems; implementing medium-term expenditure frameworks; and planning to establish improved monitoring and evaluation (M&E) and financial reporting systems.

INDICATOR 2b

How reliable are country procurement systems?

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 and also a new set of indicators to 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.

Swaziland was not assessed on the reliability of its procurement systems in 2010 and no target was applicable. However the government is currently implementing a comprehensive reform programme. The enactment of the Procurement Act 2010 seeks to bring efficiency and effectiveness and bring the procurement system to international standards. Adopting new procurement regulations to accompany the Procurement Act will promote uniformity in procurement processes and in the interpretation of the government's procurement legislation and policies. Other reforms include: establishing a procurement secretariat at the Ministry of Finance; creating an anti-corruption commission; and establishing a tender board. It is expected that these reforms will all together administer oversight over public procurement system in Swaziland and lead to increased transparency in procurement processes.

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

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

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

INDICATOR 3
Aligning aid flows on national priorities

	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		
African Dev. Bank	--	5	--	--	--	--	--	--	0
Chinese Taipei	--	20	--	--	--	--	--	--	0
EU Institutions	--	20	--	--	--	--	--	--	5
Global Fund	--	37	--	--	--	--	--	--	0
United Nations	--	12	--	--	--	--	--	--	0
United States	--	29	--	--	--	--	--	--	0
Average donor ratio			--	--	--	--	--	--	
Total	0	123	--	--	--	--	0%	--	5

TABLE 3:
Are government budget estimates comprehensive and realistic?

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

In 2010, no estimates of aid flows were recorded in the government's budget. Gaps between what is disbursed by donors and what is recorded in annual budget estimates are due to several factors. Co-ordination of aid activities among various government agencies is weak, and there are inaccurate estimates of expenditure on planned development initiatives due to limited or no link between planning and budgeting. The low level of absorption of funds has also slowed down disbursement in certain instances. Other factors include fluctuating exchange rates and differing financial years between Swaziland and many donors. However, country stakeholders argue that gaps do not reflect poor alignment of aid with national priorities, rather poor management and implementation of aid funds. In order to record a greater proportion of aid on budget and increase alignment to national priorities, country stakeholders suggest that the government should opt for budget support rather than project support.

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

INDICATOR 7
Providing more predictable aid

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

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

	Disbursements recorded by government in 2010	Aid scheduled by donors for disbursement in 2010	2005		2007		2010*		For reference: Aid disbursed by donors for government sector in 2010	For reference: % of scheduled aid disbursements reported as disbursed by donors in 2010**	
	(USD m)	(USD m)	(for reference)		(for reference)		(%)		(USD m)	(%)	
	a	b					c = a / b	c = b / a	d	e = d / b	e = b / d
African Dev. Bank	4	6	--	--	--	--	79%		5	86%	
Chinese Taipei	21	15	--	--	--	--	71%		20		75%
EU Institutions	29	19	--	--	--	--	68%		20		97%
Global Fund	0	31	--	--	--	--	0%		37		84%
United Nations	54	15	--	--	--	--	27%		12	84%	
United States	0	29	--	--	--	--	0%		29	100%	
Average donor ratio			--	--	--	--	41%			88%	
Total	108	115	--	--	--	--	94%		123	93%	

* 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).

In 2010, 94% of the aid disbursements scheduled by donors were recorded in the government's account. However, this high score hides large variation among donors as shown by the average donor ratio at 41%. The two largest donors with the highest scheduled disbursements, the United States and the Global Fund, had no disbursements recorded in public accounts. The United Nations registered 27%, while the EU Institutions, Chinese Taipei and the African Development Bank scored approximately 70%. The relatively low figures for major donors therefore indicate that the overall figure of 94% gives a misleading account of the proportion of scheduled aid recorded in public accounts. Reasons for discrepancies are similar to those for aid on budget, such as poor co-ordination, limited reporting and accounting capacity, and a mismatch in fiscal years between government and donors. Only a small minority of donors comply with Accra Agenda for Action commitments to provide rolling three-to-five year expenditure and/or implementation plans.

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.

	Co-ordinated technical co-operation (USD m) a	Total technical co-operation (USD m) b	2005 (for reference)	2007 (for reference)	2010 (%) c = a / b
African Dev. Bank	0	1	--	--	0%
Chinese Taipei	4	4	--	--	88%
EU Institutions	0	4	--	--	3%
Global Fund	0	0	--	--	--
United Nations	1	4	--	--	26%
United States	29	31	--	--	96%
Total	34	43	--	--	78%

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

With 78% of technical assistance co-ordinated, Swaziland exceeded the 2010 target of 50%. The donor accounting for the significant majority of technical co-operation, the United States, scored 96%, followed by Chinese Taipei at 88%. Remaining donors score significantly lower. Notably, Swaziland has neither implemented a capacity assessment in order to establish the capacity needs of the development agenda, nor is a capacity development plan in place.

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 PFM and procurement systems.

INDICATOR 5
Using 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	5	0	0	0	--	--	0%	0	--	--	0%
Chinese Taipei	20	15	0	0	--	--	24%	15	--	--	73%
EU Institutions	20	0	0	0	--	--	0%	0	--	--	0%
Global Fund	37	0	0	0	--	--	0%	0	--	--	0%
United Nations	12	0	0	0	--	--	1%	0	--	--	0%
United States	29	0	0	0	--	--	0%	0	--	--	0%
Total	123	15	0	0	--	--	4%	15	--	--	12%

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

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

In 2010, 4% of aid used country public financial management systems, although no target was applicable. This is well below the commitment made in Accra to disburse at least 50% of ODA through country PFM systems. Chinese Taipei (24%) was the only donor to make any notable use of country systems. While the government has undertaken a number of initiatives to reform public financial systems, reasons for their limited use can

INDICATOR 5a
Use of country public financial management systems

partly be explained by a lack of confidence in country PFM systems and a perceived lack of commitment by the government to co-ordinate and encourage donors to use country systems. Country stakeholders also note that greater efforts need to be made by donors to communicate clearly the reasons for not using country systems.

INDICATOR 5b
Use of country
procurement systems

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

In 2010, 12% of aid used the government's procurement systems. Apart from Chinese Taipei (73%), no other major donors used country procurement systems. To guide progress on this front, Swaziland is currently implementing legislative reforms to the procurement law which will lead to increased transparency in procurement processes.

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.

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

	Parallel PIUs		
	2005 (for reference)	2007 (for reference)	2010 (units)
African Dev. Bank	--	--	3
Chinese Taipei	--	--	0
EU Institutions	--	--	0
Global Fund	--	--	0
United Nations	--	--	0
United States	--	--	0
Total	--	--	3

In the 2011 Survey there was no available 2010 target for parallel PIUs. Only three, however, were in operation in 2010. All of these were administered by the African Development Bank. In Swaziland, parallel PIUs that have existed in the past have either been closed down due to the programme coming to an end, or have been integrated into existing government structures.

INDICATOR 8
Untying aid

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.

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

	Total bilateral aid as reported to the DAC in 2009	Untied aid	2005 (for reference)	2007 (for reference)	Share of untied aid
Australia	0.0	0.0	--	100%	100%
Belgium	0.0	0.0	--	100%	--
Canada	0.1	0.1	100%	0%	100%
Denmark	0.0	0.0	100%	--	--
Finland	0.0	0.0	--	100%	--
France	0.0	0.0	100%	--	100%
Germany	0.3	0.3	44%	100%	100%
Greece	0.0	0.0	--	--	--
Ireland	0.2	0.2	100%	100%	100%
Italy	0.4	0.0	0%	55%	9%
Japan	0.2	0.2	100%	100%	100%
Korea	0.1	0.1	--	0%	100%
Luxembourg	0.4	0.4	100%	--	100%
New Zealand	0.1	0.1	--	100%	100%
Norway	0.0	0.0	--	100%	--
Spain	0.0	0.0	--	--	--
Sweden	0.1	0.1	100%	--	100%
Switzerland	0.0	0.0	--	100%	100%
United Kingdom	0.1	0.1	100%	100%	100%
United States	23.0	21.4	--	84%	93%
Total	25	23	91%	90%	92%

TABLE 8:
How much bilateral aid is untied?

Source: OECD Creditor Reporting System.

The proportion of untied aid has remained static since 2005, reaching 92% in 2010 and meeting the 2010 target. All donors to Swaziland untied all their aid with the exception of Italy (9%) and the United States at 93% (the largest bilateral donor by a large margin).

CONDITIONALITY

There is little evidence in Swaziland that donors and government have made any progress in meeting Accra Agenda for Action commitments on conditionality, namely to agree on a limited set of conditions drawn from the national development strategy. Moreover, no progress has been made since Accra in regularly making public all conditions linked to disbursements at the country level. There will need to be increased efforts by the government to co-ordinate donors in this regard before the commitments on conditionality are met. ■

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

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

TABLE 9:
How much aid is
programme based?

	Programme-based approaches			Total aid disbursed (USD m) d	2005 (for reference)	2007 (for reference)	2010 (%) e = c / d
	Budget support (USD m) a	Other PBAs (USD m) b	Total (USD m) c = a + b				
African Dev. Bank	0	0	0	5	--	--	0%
Chinese Taipei	0	0	0	20	--	--	0%
EU Institutions	0	0	0	21	--	--	0%
Global Fund	0	0	0	37	--	--	0%
United Nations	0	3	3	19	--	--	17%
United States	0	31	31	31	--	--	100%
Total	0	34	34	132	--	--	25%

Swaziland registered a score of 25% in 2010 for the use of PBAs, missing the 2010 target. Only two donors made any use of PBAs in 2010, the United States at 100% and the United Nations at 17%. No aid was channelled as budget support. PBAs are a very uncommon modality in Swaziland at present.

INDICATOR 10a
Joint missions

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

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

	Co-ordinated donor missions* (missions) a	Total donor missions (missions) b	2005* (for reference)	2007* (for reference)	2010* (%) c = a / b
	African Dev. Bank	1	5	--	--
Chinese Taipei	1	2	--	--	50%
EU Institutions	5	8	--	--	63%
Global Fund	0	3	--	--	0%
United Nations	8	36	--	--	22%
United States	0	0	--	--	--
Total	10	54	--	--	18%

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

In 2010, of 54 donor missions, 18% were co-ordinated, missing the 2010 target by a large margin. The donor accounting for the majority of missions – the United Nations – conducted 22% of its missions jointly. The next two major donors in this regard, EU Institutions and the African Development Bank, jointly conducted 63% and 20% of their missions respectively.

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.

INDICATOR 10b
Joint country analytic work

	Co-ordinated donor analytic work* (units) a	Total donor analytic work (units) b	2005* (for reference)	2007* (for reference)	2010* (%) c = a / b
African Dev. Bank	0	2	--	--	0%
Chinese Taipei	0	0	--	--	--
EU Institutions	0	0	--	--	--
Global Fund	1	2	--	--	50%
United Nations	6	23	--	--	26%
United States	2	2	--	--	100%
Total	7	29	--	--	23%

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.

In 2010, the proportion of joint analytic work was registered at 23% in Swaziland, falling short of the target. The significant majority of analytic work in 2010 was undertaken by the United Nations, which co-ordinated 26% of it.

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 to effectively manage their own development. Aid fragmentation also increases the risk of duplication and inefficient aid allocation among donors.

In 2009, nine donors provided 90% of the total aid to Swaziland and nine donors provided the remaining 10% (OECD, 2011b). The average aid provided by one donor is USD 3 million. Little has been done in Swaziland to reduce the fragmentation of aid and improve the complementarity of donors' efforts and division of labour at the country level. The absence of a donor co-ordination forum and/or a donor co-ordination strategy is viewed as the major obstacle to reducing fragmentation of aid. ■

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).

INDICATOR 11
Do countries have results-oriented frameworks?

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

Swaziland achieved a D rating in 2010 regarding the status of its results-based performance assessment frameworks. There is an M&E framework identified within the NDS designed to track progress against the indicators in this strategy. However, it does not yet achieve this function and the co-ordination structure and institutional responsibilities are not fully developed. Furthermore, although progress against the NDS is reported in a unified way through semi-annual progress reports, M&E reports are not used by policy makers. The data system in support of the framework meets the minimal requirements with good geographic and sectoral coverage and a (albeit poorly explained) mechanism for ensuring the quality of development information. Yet it is unclear what indicators in the NDS have baseline data, and the main data sources are unsatisfactory. Also, stakeholder access to information is minimal owing to limited dissemination tools and no translation into local languages of key documents.

The data collection and analysis system in support of the M&E framework has comprehensive geographic coverage and broad sectoral coverage. However, the main data sources (*e.g.* population censuses and poverty surveys) are unsatisfactory in their scope. Although the government attests that the data has high quality and reliability to meet the demands of the framework, and there is a mechanism in place to ensure this quality, it is unsure what specific actions this mechanism undertakes for this process.

The principle of stakeholder access to information related to the NDS and to public expenditure data is established. However this information is not translated into local languages and is only available in hardcopy, limiting access by most stakeholders. There is an M&E framework in place in support of the NDS with vaguely defined institutional responsibilities and co-ordination structures. Further, this framework has semi-annual progress reports to report progress against the NDS in a unified way. Implementing ministries such as health, natural resources, education and agriculture produce relevant M&E data that is co-ordinated and captured by the Central Statistics office. The Central Statistics Office reports on progress against the NDS biannually. However, the M&E framework does not track input, output, and outcome indicators identified in the NDS and its reports are not used by policy makers or line ministries. ■

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.

Swaziland was not assessed to have mutual accountability in place in 2010. Country stakeholders note that whilst there is an aid policy or strategy agreed between the government and donors, and that there are specific country-level aid effectiveness targets for both actors, no assessment towards these targets has been undertaken in the last two years. ■

NOTES

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

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

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