
TAJIKISTAN

INTRODUCTION

TAJIKISTAN is a low-income country with a gross national income (GNI) of USD 800 per capita (2010) which has grown at an average rate of 4% per annum since 2005 (WDI, 2011). It has a population of approximately 6.9 million, 47% of whom (3.24 million people) lived under the national poverty line in 2009, from this number 17% of the population (1.17 million people) live in extreme poverty (WDI, 2011).

Tajikistan emerged from civil war in the mid-1990s, and is still overcoming socio-economic and institutional challenges associated with the transformation from a centralised economic system to a market economy.

Net official development assistance (ODA) to Tajikistan in 2009 totalled USD 408 million (OECD, 2011a). Since 2005, net ODA has averaged 8% of GNI (WDI, 2011). The top five donors contributed 64% of Tajikistan's core ODA including Japan, The Asian Development Bank, the World Bank, International Monetary Fund and EU Institutions (OECD, forthcoming). The Government of Tajikistan reports however, that large amounts of aid are provided by China, India and the Islamic Development Bank, which are not included in ODA. ■

SUMMARY OF PROGRESS

PROGRESS ON THE PARIS DECLARATION INDICATORS depends on improvements by both donors and partner governments. Tajikistan did not participate in the 2006 and 2008 surveys; therefore the results of the 2011 Survey establish the baseline and targets for 10 out of 15 indicators. Targets for two indicators, co-ordinated technical co-operation and reliable public financial management systems, have been met, progress has been made on the indicator on results-oriented frameworks, while one indicator, untied aid, has experienced setbacks.

Since there are no previous data to identify trends regarding other indicators, it is difficult to make predictions about the progress of aid effectiveness. However, it is clear that the Government of Tajikistan is well aware that maintaining aid effectiveness is of high importance. In 2005, the Government of Tajikistan was represented in the High Level Forum on Aid Effectiveness in Paris, and in 2009 it signed a Joint Country Partnership Strategy (JCPS). Its strategic documents, such as the National Development Strategy Plan and Poverty Reduction Strategy highlight the importance of development co-operation. The basic foundations to support aid effectiveness are in place, but mechanisms to facilitate capacity development and co-ordination between the government and donors remain challenging for both Tajikistan and donors. ■

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

TABLE 1:
Baselines and targets
for 2010

INDICATORS		2005 REFERENCE	2007	2010 ACTUAL	2010 TARGET
1	Operational development strategies	C	C	C	'B' or 'A'
2a	Reliable public financial management (PFM) systems	3.0	3.0	3.5	3.5
2b	Reliable procurement systems	Not available	Not available	Not available	No Target
3	Aid flows are aligned on national priorities	--	--	50%	85%
4	Strengthen capacity by co-ordinated support	--	--	83%	50%
5a	Use of country PFM systems	--	--	31%	No Target
5b	Use of country procurement systems	--	--	30%	No Target
6	Strengthen capacity by avoiding parallel PIUs	--	--	15	No Target
7	Aid is more predictable	--	--	91%	No Target
8	Aid is untied	78%	70%	66%	More than 78%
9	Use of common arrangements or procedures	--	--	8%	66%
10a	Joint missions	--	--	22%	40%
10b	Joint country analytic work	--	--	50%	66%
11	Results-oriented frameworks	D	D	C	'B' or 'A'
12	Mutual accountability	Not available	Not available	N	Y

TABLE 2:
Learning from success
and challenges

	ACHIEVEMENT OR CHALLENGE	LESSON OR PRIORITY ACTION
Ownership	<p>Achievement: Development and implementation of a national development strategy and a poverty reduction strategy</p> <p>Challenge: Define coherent mechanisms for the implementation of national strategies</p>	<p>Lesson: Build capacity at the ministry and local levels</p> <p>Priority action: Develop concrete activities in support of national development strategies</p>
Alignment	<p>Achievement: Co-ordinated and participatory capacity building is in place</p> <p>Challenge: Strengthening mechanisms to carry out activities in support of alignment; strengthening link to budget.</p>	<p>Lesson: Policies on how progress will be made towards untying aid should be defined and implemented.</p> <p>Priority action: Build an online database for the government budget and international aid input</p>
Harmonisation	<p>Achievement: Development of the Joint Country Partnership Strategy offers a positive initiative to encourage common arrangements or procedures</p> <p>Challenge: Formalisation of mechanisms for joint actions, missions, and analytical work in the activities of donors</p>	<p>Lesson: Need of a mechanism to support co-ordination processes</p> <p>Priority action: Programme-based approaches should be implemented at the sector level; and information and analytical work should be better accessible</p>
Managing for results	<p>Achievement: Monitoring for results has been initiated</p> <p>Challenge: Insufficient capacity for monitoring and evaluation at sector and local levels</p>	<p>Lesson: Data is comprehensive and accessible, but its quality may not be assured</p> <p>Priority action: Continue to refine monitoring and evaluation activities</p>
Mutual accountability	<p>Achievement: Organisation of a Development Forum by the government and development of an action plan in support of the Poverty reduction strategy</p> <p>Challenge: Implementing strong, mutual accountability at all levels</p>	<p>Lesson: Mutual accountability should be encouraged at all sector levels and non-traditional donor partners should be involved in key activities</p> <p>Priority action: Include a component of mutual accountability for aid effectiveness in the sector groups</p>

development partners, 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 14 donors and 74% of Tajikistan's core ODA as well as several non-ODA aid providers. A large amount of assistance is provided by partners that are not members of the DAC, such as China, India, and the Islamic Development Bank. Tajikistan did not participate in the 2006 and 2008 surveys. The country report was developed by the State Committee on Investment and State Property Management with assistance from the project "Support to Effective National Aid Co-ordination and Investment Promotion", financed by UNDP and DFID. The process was conducted in close co-ordination with the Development Co-ordination Council (DCC), which serves as the development partners' co-ordinating mechanism with the government. Members of the Council include major bilateral and multilateral development partners in Tajikistan. Non-DAC donors and non-members of the DCC were also notified about the process, but were not required to submit their data. ■

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.

Tajikistan received a score of C in 2010. The country's current medium-term development strategy is the Poverty Reduction Strategy (PRS). It is underpinned by the National Development Strategy, which offers a long-term guide for sector activities but mechanisms to implement this strategy are not well defined yet. Even though the PRS is costed, the link with the national budget is not well established.

In 2007, the Government of Tajikistan developed and approved two strategic documents: the National Development Strategy and the Poverty Reduction Strategy. These documents offer grounds for optimism that Tajikistan is taking ownership of their national agenda and policy implementation in all sectors (*i.e.* health, education, agriculture, industry, business, environment, *etc.*). The National Development Strategy defines the country's national development vision and provides the overall framework for development planning. The PRSPs have been revised and improved based on monitoring and evaluation efforts over three time periods (2003-05, 2007-09, and 2010-12). The PRS measures are based on the National Development Strategy, and they also serve as the mechanism to support the implementation of this strategy. The national budget funds are defined, though supplemented by international organisations and bilateral donors to Tajikistan. This makes the national budget process both directly linked to and dependent on incoming donor aid. Moreover, donor-funded projects have developed activities in support of the implementation of the goals of the PRS, thus strengthening alignment. The development of the new PRS for 2010-12, was based on participatory processes, which included round-tables with the civil society.

INDICATOR 1
Do countries have operational development strategies?

A National Development Council was formed in 2007 by the government with the aim to define the co-ordination between different stakeholders during the implementation of the national strategies. By involving representatives from both the government and civil society the government tries to ensure transparency and accountability which can be a step towards decentralised decision making. To ensure effective alignment between national policies and programme activities, constant monitoring of these strategies has been conducted by the government. Based on the results of the former PRSP, current challenges point to building capacity and supporting mechanisms within ministries and at the local level to ensure vertical monitoring by civil society representatives. Overall the necessary strategic documents are in place, including a multi-stakeholder monitoring and evaluation component, to support aid effectiveness. Additional challenges include better prioritisation, link to the budget and defining mechanisms to support implementation of the national priorities. ■

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.

Indicators concerning capacity building through co-ordinated support indicate good progress in this area. However, untied aid has steadily decreased from 78% in 2005 to 66% in 2010. Further analysis of progress on all other indicators cannot be made at this stage, because their targets are currently not applicable. Any trends among these indicators remain unclear until further data is available. Overall patterns suggest that while institutional structures and defined goals are in place, strengthening mechanisms to carry out activities to support these systems remains a challenge.

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

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

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

With a score of 3.5 in 2010, progress on PFM systems has been made since 2005. The Government of Tajikistan developed a PFM strategy for 2009-18 according to which PFM reforms are being implemented. While a working group has been established in the Ministry of Finance to review the existing legal framework for budgeting – including a revision of the PFM law – Tajikistan received an average score because the implementation of PFM reforms have yet to be carried out. Budget classification reform is underway, and a number of studies of the PFM systems have been conducted. PFM reforms in Tajikistan are also supported by a number of partners including EU Institutions, the World Bank and the United Kingdom.

INDICATOR 2
Building reliable
country systems

INDICATOR 2a
How reliable are
country public financial
management 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, 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.

There is no score available regarding the reliability of Tajikistan's procurement systems. Nevertheless, a procurement law was adopted in 2006, and since then, a number of training programmes have been conducted to strengthen government procurement capacity. In addition, the State Committee on Investment and State Property Management has developed the guidelines on bid opening for procurement in the context of the state investment projects. The guidelines increase government's ownership of the procurement process in the cases where donors' procurement systems are used. These improvements help to synthesise the overall procurement system in Tajikistan.

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.

INDICATOR 2b

How reliable are country procurement systems?

INDICATOR 3

Aligning aid flows on national priorities

TABLE 3:

Are government budget estimates comprehensive and realistic?

	Government's budget estimates of aid flows in 2010 (USD m)	Aid disbursed by donors for government sector in 2010 (USD m)	2005		2007		2010*		Total aid disbursed through other donors (USD m)
			(for reference)		(for reference)		(%)		
	a	b					c = a / b	c = b / a	
Asian Dev. Bank	92	51	--		--			56%	0
EBRD	5	14	--		--		36%		0
EU Institutions	11	29	--		--		36%		0
GAVI Alliance	0	2	--		--		0%		0
Germany	25	32	--		--		78%		0
Global Fund	0	0	--		--		--		21
IFAD	2	0	--		--			19%	0
Japan	6	21	--		--		27%		3
Switzerland	2	13	--		--		19%		0
Turkey	0	4	--		--		0%		0
United Kingdom	0	11	--		--		0%		9
United Nations	0	53	--		--		0%		3
United States	0	44	--		--		0%		0
World Bank	29	66	--		--		44%		0
Average donor ratio			--		--		24%		
Total	171	340	--		--		50%		35

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

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.

In 2010, 50% of Tajikistan's aid was reported on the national budget. A large proportion of aid contributions are still either partially recorded on the budget or not recorded at all. The difference between the overall score of 50% and the average donor ratio of 24% indicates important variations among donors, with the aid of several donors (GAVI Alliance, Turkey, United Kingdom, United Nations, United States) not recorded at all on the national budget against 78% of aid from Germany being recorded on the national budget. Government records of donor aid from IFAD and the Asian Development Bank was significantly greater than what was actually disbursed.

It should be noted that estimates published in the budget primarily include the data from the Public Investment Programme, which consist of major projects but leave out some grant contributions that are provided in the context of smaller initiatives. This may explain the discrepancy between government estimates and actual disbursements by donors. In 2010, the State Committee on Investment provided an overview of alignment of foreign aid to the PRS, which revealed that overall alignment is relatively good, despite significant differences at the sector level. One challenge is that the government budget database is offline, thereby making it difficult to align incoming donor aid with budget preparation. It is recommended that a more sophisticated system with online data entry capabilities should be created to ensure quality updates for the budget preparation process.

INDICATOR 7
Providing more
predictable aid

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

TABLE 4:
Are disbursements on
schedule and recorded
by government? ¹

	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)	(for reference)	(for reference)	(%)	(%)	(USD m)	(%)	(%)
	a	b					c = a / b	c = b / a	d	e = d / b	e = b / d
Asian Dev. Bank	55	42	--	--	--	--	16%	76%	51	70%	81%
EBRD	3	20	--	--	--	--	16%		14	70%	
EU Institutions	35	37	--	--	--	--	93%		29	79%	
GAVI Alliance	0	2	--	--	--	--	0%		2	78%	
Germany	10	32	--	--	--	--	32%		32	100%	
Global Fund	22	0	--	--	--	--	0%		0	--	
IFAD	1	2	--	--	--	--	62%		0	22%	
Japan	39	0	--	--	--	--	0%		21		0%
Switzerland	12	13	--	--	--	--	88%		13	100%	
Turkey	3	0	--	--	--	--	0%		4		0%
United Kingdom	4	11	--	--	--	--	41%		11	98%	
United Nations	0	62	--	--	--	--	0%		53	85%	
United States	6	0	--	--	--	--	0%		44		0%
World Bank	39	29	--	--	--	--	76%		66		45%
Average donor ratio			--	--	--	--	35%				58%
Total	228	250	--	--	--	--	91%		340		73%

* 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).

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. For this indicator, data from the State Committee on Investment database on foreign aid was used.

In the 2011 Survey, 91% of aid scheduled by donors to Tajikistan was recorded in public accounts. However, relatively low scores among major donors combined with the low average donor ratio indicate this statistic gives a misleading representation of aid predictability in Tajikistan.² Priority actions outlined by Tajikistan to address aid predictability include the development of an aid information management system which will be designed to improve the collection of aid related data, including donor commitments. While this goal is of high importance, no actions have been taken yet to reach it. This suggests that concrete and trust-worthy donor commitment is important in order to enable better co-ordination between government and donors, and such practices should be continued in order to facilitate better aid predictability.

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.

In 2010, Tajikistan received a score of 83% for co-ordinated technical co-operation – which is well above the target of 50%. Addressing capacity constraints is a priority for most if not all donors working in Tajikistan, which may explain why Tajikistan received such a high score in the 2011 Survey. However, international development assistance often fails to develop capacity that extends beyond project activities, and the use of co-ordinated programmes remains limited to individual initiatives. The Government of Tajikistan and donors recognise that capacity development initiatives need to be government-led and based on strategies for capacity support. The PRS of Tajikistan is a first step towards co-ordinated capacity development and provides a useful initial framework for alignment. However, the development and co-ordination of capacity development initiatives at the country level and implementation of actions in support of the PRS are some of the remaining challenges. For better co-ordination of technical assistance, it may be necessary to clarify what “co-ordinated programmes” mean in the context of Tajikistan.

INDICATOR 4

Co-ordinating support to strengthen capacity

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 (%) c = a / b
	a	b			
Asian Dev. Bank	0	0	--	--	100%
EBRD	0	11	--	--	0%
EU Institutions	7	11	--	--	69%
GAVI Alliance	0	0	--	--	--
Germany	15	15	--	--	100%
Global Fund	0	0	--	--	--
IFAD	0	0	--	--	0%
Japan	3	3	--	--	100%
Switzerland	2	3	--	--	60%
Turkey	0	1	--	--	23%
United Kingdom	2	2	--	--	78%
United Nations	40	44	--	--	92%
United States	36	38	--	--	94%
World Bank	2	2	--	--	100%
Total	108	130	--	--	83%

INDICATOR 5
Using country systems

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.

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

	Aid disbursed by donors for government sector (USD m)	Public financial management						Procurement			
		Budget execution (USD m)	Financial reporting (USD m)	Auditing (USD m)	2005 (for reference)	2007 (for reference)	2010 (%) avg(b,c,d)/a	Proc. systems (USD m)	2005 (for reference)	2007 (for reference)	2010 (%) e / a
	a	b	c	d				e			
Asian Dev. Bank	51	51	51	51	--	--	100%	51	--	--	100%
EBRD	14	0	0	0	--	--	0%	0	--	--	0%
EU Institutions	29	10	10	10	--	--	33%	10	--	--	33%
GAVI Alliance	2	0	0	0	--	--	0%	0	--	--	0%
Germany	32	17	17	17	--	--	54%	17	--	--	54%
Global Fund	0	0	0	0	--	--	--	0	--	--	--
IFAD	0	0	0	0	--	--	0%	0	--	--	0%
Japan	21	0	0	0	--	--	0%	0	--	--	0%
Switzerland	13	0	0	0	--	--	0%	0	--	--	0%
Turkey	4	0	0	0	--	--	0%	0	--	--	0%
United Kingdom	11	0	0	0	--	--	0%	0	--	--	0%
United Nations	53	1	1	1	--	--	3%	0	--	--	0%
United States	44	0	0	0	--	--	0%	0	--	--	0%
World Bank	66	26	26	26	--	--	39%	26	--	--	39%
Total	340	105	105	105	--	--	31%	104	--	--	30%

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.

In 2010, 31% of aid to Tajikistan was channelled through the country's PFM systems. The Asian Development Bank used Tajikistan's PFM systems for 100% of its aid to the country, followed by Germany (54%), the World Bank (39%), and EU Institutions (33%). All the other donors appear to use little to none of Tajikistan's PFM systems, which is primarily due to a lack of trust in these systems. Steps to support the use of PFM systems include the Joint Country Programme Strategy, which calls upon donors to increase the use of country PFM systems by designing measures to encourage the use of at least one national financial management procedure (*i.e.* financial reporting, auditing, or budget execution).

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, 30% of aid to Tajikistan was channelled through the country's procurement systems. Similar to trends in the use of PFM systems, 100% of aid from the Asian Development Bank used Tajikistan's procurement systems, followed by Germany (54%), World Bank (39%), and EU Institutions (33%). All the other donors did not report the use of the country's procurement systems. The quality of Tajikistan's procurement systems is of concern for most donors, which is a challenge for encouraging greater use of these systems. Recommended steps to build trust and facilitate the use of procurement systems include conducting joint assessments and facilitating thematic dialogue with donors. Pilot-testing of national procurement systems can be encouraged in selected projects as a joint approach to identify challenges and develop measures to address them.

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.

INDICATOR 5b
Use of country
procurement systems

INDICATOR 6
Avoiding parallel
implementation
structures

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

	Parallel PIUs		
	2005 (for reference)	2007 (for reference)	2010 (units)
Asian Dev. Bank	--	--	0
EBRD	--	--	0
EU Institutions	--	--	0
GAVI Alliance	--	--	0
Germany	--	--	0
Global Fund	--	--	0
IFAD	--	--	1
Japan	--	--	0
Switzerland	--	--	0
Turkey	--	--	0
United Kingdom	--	--	0
United Nations	--	--	0
United States	--	--	14
World Bank	--	--	0
Total	--	--	15

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 2010, there were 15 existing parallel PIUs, which comprised mainly the PIUs of the United States (14), as well as IFAD (1). Other donors did not have any parallel PIUs in 2010. Since there is no relevant data for previous years, further conclusions cannot be made about trends related to parallel PIUs.

Some PIUs in Tajikistan have played an active role in effective project implementation; however, their practices are generally not questioned. There is a general awareness that this may pose a challenge, in that parallel PIUs may undermine national capacity development efforts in the long run. Parallel PIUs are in place because they support activities that are either inefficient or unable to be fully carried out by government institutions themselves. In some sectors, efforts are underway to integrate parallel PIUs in order to make them more accountable to the government. However, a major challenge is that there is no defined strategy to guide these processes and ensure that the integration is not immediately offset by efficiency losses. Some issues regarding PIU’s effectiveness are discussed at the joint portfolio reviews by the Government of Tajikistan with the Asian Development Bank and the World Bank. It is worth noting that many PIUs operate under the relevant government institutions and report to the government. This is an important move forward that encourages dialogue among Tajikistan and donors. Recommended steps for Tajikistan include defining a strategy to integrate existing PIUs into government structures in order to facilitate better alignment and ownership.

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

INDICATOR 8 Untying aid

TABLE 8:
How much bilateral aid
is untied?

	Total bilateral aid as reported to the DAC in 2009	Untied aid	2005 (for reference)	2007 (for reference)	Share of untied aid
Austria	0.7	0.5	0%	100%	79%
Belgium	0.3	0.3	100%	--	100%
Canada	0.0	0.0	100%	100%	--
Denmark	0.2	0.2	--	100%	100%
Finland	0.0	0.0	100%	--	100%
France	11.9	0.1	100%	99%	1%
Germany	19.8	18.8	72%	90%	95%
Greece	0.0	0.0	--	--	--
Ireland	0.2	0.2	--	100%	100%
Italy	0.4	0.0	--	0%	0%
Japan	25.6	25.6	100%	100%	100%
Korea	0.1	0.1	--	25%	100%
Luxembourg	0.4	0.4	100%	100%	100%
Netherlands	0.6	0.6	100%	100%	100%
Norway	1.7	1.7	100%	100%	100%
Spain	5.4	5.4	--	0%	99%
Sweden	1.5	1.5	100%	100%	100%
Switzerland	11.5	11.5	100%	100%	100%
United Kingdom	5.2	5.2	--	100%	100%
United States	44.8	14.0	44%	31%	31%
Total	130	86	78%	70%	66%

Source: OECD Creditor Reporting System.

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

In 2010, 66% of aid to Tajikistan was untied. There has been a steady decrease in untied aid over the past five years (from 78% in 2005 to 66% in 2010) and therefore this indicator is facing a setback. Nearly all bilateral donors provide untied, but few donors – France, Italy, and the United States – are still tying much of their aid in 2010. There is no clear explanation as to why these donors tie their aid, while the bulk of aid from other donors is untied and that most donors have explicit policies on untying aid. In Tajikistan, issues of aid tying and untying are discussed at project negotiation stages. It is recommended that an appropriate mechanism be developed to target levels of untied aid and be implemented as part of negotiations with development partners. ■

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.

Use of common arrangements and procedures in the context of PBAs was reported at 8% for 2010, which is far from the 66% target. With the exception of GAVI Alliance and World Bank, no donors provide support through PBAs. Since there are not any data available for the previous years, no conclusions can be made about progress over the past five years. The development of PBAs has been on donors' agenda for a long time, but the majority of them could not define any programmes that offer a mechanism or framework in support of common arrangements or procedures. Elements of PBAs are present in a number of sectors; however, it is not clear how or in which sectors these are happening.

The Joint Country Partnership Strategy is an initiative to encourage common arrangements or procedures. It includes provisions to create conditions that will increase budget support and the implementation of at least one sector-wide approach (SWAp). This is in accordance with harmonisation goals to reduce duplication of effort in managing aid. As both the government and donors strengthen their institutional structures for co-ordination, it is expected that efforts towards PBAs in pilot sectors will continue.

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				
Asian Dev. Bank	0	0	0	51	--	--	0%
EBRD	0	0	0	30	--	--	0%
EU Institutions	0	0	0	32	--	--	0%
GAVI Alliance	0	2	2	2	--	--	100%
Germany	0	0	0	32	--	--	0%
Global Fund	0	0	0	2	--	--	0%
IFAD	0	0	0	0	--	--	0%
Japan	0	0	0	24	--	--	0%
Switzerland	0	0	0	13	--	--	0%
Turkey	0	0	0	5	--	--	0%
United Kingdom	0	0	0	11	--	--	0%
United Nations	3	0	3	62	--	--	5%
United States	0	0	0	47	--	--	0%
World Bank	26	0	26	76	--	--	33%
Total	29	2	30	387	--	--	8%

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 *	Total donor missions	2005* (for reference)	2007* (for reference)	2010* (%) c = a / b
	(missions)	(missions)			
	a	b			
Asian Dev. Bank	10	14	--	--	71%
EBRD	6	18	--	--	33%
EU Institutions	1	10	--	--	10%
GAVI Alliance	0	1	--	--	0%
Germany	2	5	--	--	40%
Global Fund	0	3	--	--	0%
IFAD	0	2	--	--	0%
Japan	0	15	--	--	0%
Switzerland	0	17	--	--	0%
Turkey	1	1	--	--	100%
United Kingdom	8	8	--	--	100%
United Nations	44	89	--	--	49%
United States	0	8	--	--	0%
World Bank	3	31	--	--	10%
Total	49	222	--	--	22%

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

About 22% of the total donor missions were co-ordinated in 2010. This is below the target of 40%. Out of the 14 donors, the United Kingdom and Turkey co-ordinated 100% of their missions, while nearly half of the other donors did not co-ordinate their missions at all. Country stakeholders report that information received was incomplete due to lack of clarity of the definition of missions.

While donors are generally willing to work together, arrangements for such co-ordination remain limited, especially at the sector level. There are no mechanisms in place to facilitate co-ordinated missions among donors, and it is recommended that technical working groups take a lead in co-ordination processes with support from the State Committee on Investment and State Property Management and the line ministries.

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

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

	Co-ordinated donor analytic work* (units) a	Total donor analytic work (units) b	2005* (for reference)	2007* (for reference)	2010* (%) c = a / b
Asian Dev. Bank	8	12	--	--	67%
EBRD	0	0	--	--	--
EU Institutions	6	6	--	--	100%
GAVI Alliance	0	0	--	--	--
Germany	1	1	--	--	100%
Global Fund	0	0	--	--	--
IFAD	0	0	--	--	--
Japan	0	1	--	--	0%
Switzerland	0	12	--	--	0%
Turkey	0	0	--	--	--
United Kingdom	25	25	--	--	100%
United Nations	19	24	--	--	79%
United States	0	6	--	--	0%
World Bank	2	4	--	--	50%
Total	46	91	--	--	50%

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

In 2010, about 50% of the country analytical work was co-ordinated. This is below the target goal of 66%. Out of 14 donors, the United Kingdom, Germany, and EU Institutions co-ordinated 100% of their analytical work. Three other donors did not co-ordinate their analytical work at all, whereas three other partners have met or nearly met the target of 66%. Similar to donor co-ordinated missions, donors are generally willing to work together, especially at sector level. However, co-ordination of analytical work still remains limited due to a lack of a framework or mechanism to support co-ordination. Technical working groups should take a lead in co-ordination processes. Furthermore, increased information on planned analytical work among donors would facilitate this process.

AID FRAGMENTATION

Fragmented aid – aid that comes in many small slices from a large number of donors – creates high transaction costs and makes it difficult for partner countries effectively to manage their own development. Aid fragmentation also increases the risk of duplication and inefficient aid allocation among donors.

A pilot analysis on fragmentation of country programmable aid carried out at the country level by the OECD in collaboration with the Deutsche Gesellschaft für Internationale Zusammenarbeit reveals that aid fragmentation increased from 2005-2009 alongside an increase in country programmable aid. In 2009, 16 donors provided altogether less than 10% of all aid to Tajikistan and an average donor provided USD 14 million (OECD, 2011b).

Actions to reduce the fragmentation of aid include the Joint Country Partnership Strategy (JCPS), which was signed in 2009 by the government and donors. The JCPS is a medium-term document for the period of 2010-12. The strategy aims at improving the interaction between the government of the Tajikistan and donors to achieve national development goals and reduce poverty. Joint actions between the government, donors, and civil society have been recently been initiated, yet the results of such actions are still pending. ■

MANAGING FOR RESULTS

INDICATOR 11 Do countries have results-oriented frameworks?

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

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

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

The 2010 score for results-oriented frameworks is C. This score is an improvement from the score of D in 2007 and 2005. Tajikistan's PRS contains a M&E framework that has been developed since 2005 to assess the implementation of national policy. The M&E system is facilitated by M&E units created in 26 ministries and agencies, including the civil society sector. The M&E units are co-ordinated by the Ministry of Economy and Trade. They track inputs, outputs and outcomes of specific policy measures, which are identified in the NDS, and results are submitted on a quarterly basis.

The data in support of this framework is comprehensive in its coverage, although it is not clear how quality is assured. Stakeholder access to information regarding M&E and the PRSP is good, and there has been an improvement in the availability and accessibility of statistics. In the last PRS, positive signs include the significantly increased number of measures in order to make the M&E system of the PRS more operational. This, in turn, has improved the overall results-based management system for Tajikistan. It is recommended that Tajikistan continue in this fashion to support M&E of the PRSP and NDS to ensure solid results-oriented frameworks. ■

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. Tajikistan took part in the 2011 Survey on Mutual Accountability and Aid Transparency conducted by the UNDESA and UNDP in order to promote dialogue on these issues at national level. Based on assessment made, strong and balanced mutual accountability has not been implemented at all levels. Since a review of the current progress has not yet been provided, the current Paris Declaration Monitoring Survey will serve as the baseline assessment. Endorsement of the Joint Country Partnership Strategy in 2009 provided a framework for mutual accountability in Tajikistan. The strategy includes commitments by both government and donor partners, who are responsible for results achieved in the implementation of jointly aligned goals. In December 2010, the government organised a Development Forum, with the support of the Development Co-ordination Council. One of the outcomes was an action plan, which outlines the third PRSP's priorities for implementation in 2011-12.

Another example of mutual assessment was the commitment of the government and the Development Co-ordination Council to conduct periodic joint reviews of the government's progress in relation to the Action Plan and Joint Country Partnership Strategy. The Development Co-ordination Council has also made efforts to reach out to non-traditional partners (*e.g.* China, India, Russia) and invite their participation in key activities. Some of these steps can potentially help create a space for civil society participation and promote co-ordination processes at the local level. Such efforts should be continued to support mutual accountability, but they should also include a component of mutual accountability in aid effectiveness, which is currently not in place.

NOTES

1. The quantitative information presented in this chapter is taken from data provided by the national co-ordinator up to 31 July 2011, following a multi-stakeholder data validation process at the country level. It was not possible to modify or correct any data received after this date.
2. For indicator 7, further changes were introduced regarding the UN after the deadline of 31 July, indicating that disbursements of USD 28 million were recorded in government accounts (or 45% of total aid from the UN), bringing the total of aid disbursements recorded by the government to 98% (instead of 91%).

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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