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The Performance Assessment Framework of Development Partners (DP-PAF) in Ghana: Baseline Report 2008/09

Final version

Report to the Government of Ghana and the Development Partners

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Acronyms

AAA	Accra Agenda for Action
AFD	Agence Française de Développement
AfDB	African Development Bank
APM	Annual Partnership Meeting
BRICK	Brazil, Russia, India, China, Korea
CG	Consultative Group
CIDA	Canadian International Development Agency
CSO(s)	Civil Society Organisation(s)
DAC	Development Assistance Committee
DFID	Department for International Development
DP(s)	Development Partner(s)
EU	European Union
FM	Framework Memorandum
GAVI	Global Alliance for Vaccines and Immunisation
GDP	Gross Domestic Product
G-HAP	Ghana Harmonisation Action Plan
G-JAS	Ghana Joint Assistance Strategy
GoG	Government of Ghana
GPRS	Growth and Poverty Reduction Strategy
GPS	Ghana Partnership Strategy
HIPC	Heavily-Indebted Poor Countries
HOC	Heads of Cooperation
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
MCC	Millennium Challenge Corporation
MDA	Ministries, Departments and Agencies
MDBS	Multi-Donor Budget Support
MDG(s)	Millennium Development Goal(s)
MDRI	Multi-Donor Debt Relief Initiative
MOFEP	Ministry of Finance and Economic Planning
NGO	Non-governmental organisation
ODA	Official Development Assistance
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
OPEC	
PAF	Performance Assessment Framework
PBA(s)	Programme Based Approache(s)
PD	Paris Declaration
PFM	Public Financial Management
PPME	Policy, Planning, Budget, Monitoring and Evaluation
SBS	Sector Budget Support
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
US	United States
USAID	United States Agency for International Development

Executive summary

Objectives and overview: This report is to serve several purposes:

- Document the context of a Performance Assessment Framework of Development Partners (section 2);
- Describe the conceptual elements of a DP-PAF, based on the experience made in other countries (section 3);
- Document the genesis of the DP-PAF and the related process of the preparation of a first draft, the consultation round, the workshop on revised draft (section 4);
- Present the final draft of the DP-PAF to be used in 2011 and to be improved later on (section 5);
- Establish a baseline for 2008/09 as reference data for the assessments in future (section 6);
- Define a framework for the forthcoming assessment in 2011 and beyond (section 7).

Context: As agreed in the 2005 Paris Declaration on Aid Effectiveness (PD) and subsequently emphasised in the 2008 Accra Agenda for Action (AAA), development partners (DPs) and partner developing countries must step up efforts to ensure that mutual assessment reviews of aid relations and their effectiveness and efficiency are in place by 2010 in all countries that have endorsed the Declaration. Ghana's draft Aid Policy indicates significant asymmetry in the accountability of aid to Ghana. While the GoG is accountable to DPs through numerous reporting arrangements, there is no formal mechanism to adequately ensure DPs' accountability to the Government and the people of Ghana. In view of closing this gap, the Minister of Finance and Economic Planning stated in his 2010 Budget Speech to Parliament in November 2009 that the GoG would take steps to formulate a "Progress Assessment Framework to assess the performance of our development partners". The draft Ghana Aid Policy states that the development of a DP-PAF will be "applied to all Development Partners including MDBS DPs, non-traditional donors such as those of the BRICK countries and vertical fund donors such as the Global Fund".

Concept: The tool of a DP-PAF pursues double objectives: (1) The DP-PAF serves as an instrument to selectively *monitor* the implementation of the principles of international statements such as the Paris Declaration and Accra Agenda, but also the Ghana Aid Policy, the G-JAS, and the obligations of the MDBS; (2) It is to *stimulate* the improvement of the DPs' performance, both as a group and individually if shaped on a multi-annual basis and linked to individual and collective target setting in the agreed areas. However, the DP-PAF is not an end in itself but it will ultimately serve to improve aid and development effectiveness notably by stimulating an open dialogue on donor performance in Ghana. A matrix is the technical tool to enhance implementation, consisting of a number of indicators and measures. The indicators are meant to be specific, measurable, achievable, relevant and time-bound. The size of the DP-PAF is to be limited, and the indicators should have a strategic dimension and be consistent with the PD/AAA. A strong government leadership is conducive for all DPs to understand and work towards the agenda of mutual accountability

Process: The process consisted essentially of three phases: Preparation (interviews), consultation (questionnaire) and the workshop. The interviews laid the

ground for the first draft of a DP-PAF. Based on the following consultations by questionnaire, the first draft was revisited and a revised version was presented to the workshop of April 15, 2010. Taking opinions of the workshop into account, the final draft was elaborated. In line with the GoG aid policy, MOFEP had informed early on the DP-PAF process and invited traditional and non-traditional DPs to participate. However, all responding DPs were members of G-JAS and all but USAID and MCC also members of the MDBS Group. Involving non-traditional donors remains a pending issue to be taken up again in the future.

Result: As indicated the final draft of the DP-PAF is result of the process described above. It was not possible to accommodate all different opinions as they were occasionally contradicting. The DP-PAF consists of overall 23 indicators, and a more qualitative partnership section. 3 indicators refer to the portfolio, 3 to harmonisation, 8 to alignment, 3 to predictability, 2 to transparency, and 4 are MDBS-related. 11 of the indicators were taken from the PD monitoring in order to reduce transaction costs.

Baseline: The data of the years 2008/2009 have been collected for the 23 indicators to the extent possible. Some information is incomplete, however, and responses are limited to the 13 DPs who responded: Danida (Denmark), DfID (UK), USAID (USA), MCC (USA), AfDB, Switzerland, World Bank, CIDA (Canada), Germany, AFD (France), European Union, Netherlands, and Japan. The baseline data will enable in later years to compare and to assess progress.

Implications for GoG

- Take the leadership, MOFEP is to launch early the process to secure funding, identify and engage an independent consultant for 2011
- Make sure that MOFEP and MDAs actively participate in the assessment process, share your opinion with the independent consultants,
- cross-check and verify data required to assess DP performance
- dialogue with DPs, analyse reasons for weak performance, including what the GoG can contribute to improve
- implement the GoG aid policy, motivate DPs for participation and insist on compliance
- use the DP-PAF assessment results in bilateral negotiations

Implications for DPs

- fill the questionnaire, be ready for interviews
- dialogue with other DPs and GoG on performance, analyse reasons for weaknesses
- work to improve the DPs performance, set realistic targets
- inform HQ on the DP-PAF exercise and use results potentially for lobbying

Follow-up: In line with the principle of transparency in aid relations, this baseline report should be in the public domain to be accessible for all institutions and individuals interested. The report is the starting point for the consolidation and adoption of the DP-PAF in 2010:

- The next step should be with the MOFEP and the HOCs putting the DP-PAF on the agenda of the forthcoming CG Annual Partnership Meeting in September 2010 in view of a plenary discussion and adoption.

- The CG-APM, scheduled for September 2010, takes the final decisions on (1) the DP-PAF matrix, (2) the target values 2010–2012, and (3) the assessment process in 2011.
- The assessment process in 2011 should pay attention to an increased DP coverage. The consultant should have selected interviews with DPs not (yet) involved, in particular non-traditional DPs, with support from the GoG.

The first ***DP-PAF assessment process in 2011*** for 2010 should be launched early in the year to ensure a close coordination with the Paris Declaration monitoring in the same year. Therefore, immediately after the CG-APM 2010 MOFEP should (1) secure funding of the forthcoming assessment 2011, and (2) launch the process to identify and engage an independent Ghanaian consultant, based on terms of reference agreed upon between the MOFEP and DPs. The main objective of the 2011 assessment is to provide an independent review of individual and collective DPs performance in 2010 against the commitments and indicators set out in the DP-PAF matrix and compared with the 2008/09 baseline of performance set out in this baseline study. Related objectives will be:

- To propose an *updated DP-PAF* matrix. This implies identifying new targets for the years 2011-2013. Individual donor contributions against those aggregated commitments should also be identified;
- To suggest how to *improve the DP-PAF matrix* including the partnership area;
- To recommend *possible improvements in the process* of monitoring the DPs' performance and the dialogue platform.

1 Introduction

As agreed in the 2005 Paris Declaration on Aid Effectiveness (PD) and subsequently emphasised in the 2008 Accra Agenda for Action (AAA), development partners (DPs) and partner developing countries must step up efforts to ensure that mutual assessment reviews of aid relations and their effectiveness and efficiency are in place by 2010 in all countries that have endorsed the Declaration. These reviews are to be based on country results reporting and information systems, complemented with available donor data and credible independent evidence. They are to also draw on emerging good practice with stronger parliamentary scrutiny and citizen engagement. More importantly, these reviews are to be used to hold DPs and partner countries accountable to each other for mutually agreed results within country development and aid policies.

To complement mutual assessment reviews at country level and drive better performance, the Paris Declaration and Accra Agenda for Action also encourage developing countries and DPs to jointly review and strengthen existing international accountability mechanisms, including peer reviews. In particular, DPs are expected to provide timely, transparent and comprehensive information on aid flows so as to enable partner authorities to present comprehensive budget reports to their legislatures and citizens. Partner countries, on the other hand, are to strengthen, as appropriate, the parliamentary role in national development strategies and/or budgets. Additionally, they are required to reinforce participatory approaches by systematically involving a broad range of development partners when formulating and assessing progress in implementing national development strategies. Furthermore, partner countries and donors are required, under the Declaration, to jointly assess, through existing and increasingly objective country level mechanisms, mutual progress in implementing agreed commitments on aid effectiveness, including the Partnership Commitments¹.

The need for a mutually accountable framework to assess aid relations between the Government of Ghana (GoG) and its DPs has been agreed upon by both parties and documented, for example in the Ghana Harmonisation Action Plan (G-HAP).² However, as indicated in the draft Ghana Aid Policy (2009-2015), there is currently significant asymmetry in the accountability of aid to Ghana. While the GoG is accountable to DPs through numerous reporting arrangements, there is no formal mechanism to adequately ensure DPs' accountability to the Government and the people of Ghana.³

In October 2009 the GoG and the DPs' Multi-Donor Budget Support (MDBS) group held a performance review and stock-taking retreat⁴. One of the key recommendations from this retreat which was subsequently endorsed in a joint

¹ Indicator 12 of the PD.

² MOFEP, Ghana Aid Policy (2009-2015): Toward Middle Income Status, paragraph 1.21, p. 10.

³ *Ibid.*, paragraph 1.18, p. 10.

⁴ Atampugre, Nicholas (November 2009), MDBS Retreat Final Report, Report written for the Economic Section of the Embassy of Switzerland on behalf of the MDBS Core Group in connection to the MDBS Retreat held the Mac Dick Royal African Plaza on 15-17 October, 2009, recommendation 7, p. 9.

communiqué issued at the follow-up MDDBS High-Level Meeting⁵ was the development of a Performance Assessment Framework (PAF) to be used by the GoG to assess the DPs' performance in areas of the delivery and effectiveness of their official development assistance (ODA) to Ghana. It was also agreed that the DP-PAF would be applied not only to MDDBS DPs, but also extended to other bilateral donors including non-traditional donors such as the BRICK countries (Brazil, Russia, India, China, and Korea Republic), as well as vertical fund donors (such as the Global Programme). To ensure legislative backing and improve country ownership and leadership in the crafting and implementation of the DP-PAF, the Minister of Finance and Economic Planning also stated in his 2010 Budget Speech to Parliament in November 2009 that the GoG would take steps to formulate a "Progress Assessment Framework to assess the performance of our development partners".⁶

2 Context

2.1 ODA landscape in Ghana

Development Partners

Ghana's development partners can be segmented into two broad categories – multilateral donors and bilateral donors. There are currently 23 multilateral donors and 24 bilateral donors. The multilaterals include the following: World Bank, African Development Bank (AfDB), European Union (EU), Nordic Development Fund, Arab Bank for Economic Development in Africa, European Investment Bank, OPEC, Global Fund to Fight Aids, Tuberculosis and Malaria (Global Fund), Global Alliance for Vaccines and Immunisation (GAVI), and 12 organs/agencies of the United Nations.⁷ The World Bank remains the largest multilateral donor, providing over 45% of the multilateral annual average. The bilateral group includes traditional donors such as Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, Netherlands, Norway, Spain, Sweden, Switzerland, the UK, and USA. Non-traditional bilateral donors who are increasingly becoming important in Ghana's aid architecture include the BRICK countries, the Saudi Fund, and the Abu Dhabi Fund. These non-traditional donors do not currently feature prominently in existing coordination efforts with other donors. The new Ghana Aid Policy Framework document which is currently in its final stages of drafting is expected to address this fragmentation.

The new Ghana Aid Policy (2009-2015) is heavily influenced by the recommendations of the Paris Declaration and the Accra Agenda. Amongst others things, the GoG is requesting donors to provide more flexible and predictable aid in the form of general budget support (GBS). In terms of the division of labour, the Aid Policy also, for the first time, encourages donors to be guided by "competitive advantage" rather than just "comparative advantage" in their choice of how to provide development assistance. Furthermore, the Aid Policy calls for more and better

⁵ Communiqué issued at the MDDBS High-Level Meeting held on October 28, 2009 at the Accra International Conference Centre, paragraph 14, p. 3.

⁶ GoG, 2010 Budget Speech, paragraph 157, pp. 47-48.

⁷ These consist of the FAO, IFAD, ILO, IOM, UNAIDS, UNESCO, UNFPA, UNICEF, UNIDO, UNDP, WFP, and WHO.

alignment of donor programmes with country systems and use of such systems by donors in delivering aid.

Aid Volumes and Modalities

Table 1 shows the trend in ODA flows to the government sector of Ghana from 2003 to 2008 and projected receipts for 2009 and 2010. The total ODA envelope to the GoG consistently increased from US\$1003 million in 2003 to a US\$1656.5 million in 2007, an annual average increase of 13.4 percent.⁸ Although aid volumes dipped marginally to US\$1649.6 million in 2008, they were projected to exceed US\$2 billion in 2009 but again drop to US\$1930 million in 2010. Over the five-year period spanning 2003-2007, ODA flows to Ghana averaged close to 12 percent of the gross domestic product (GDP), but declined to 10.3 percent in 2008. The 2009 budget projected an ODA share of GDP of 14.5 percent, and the projection for 2010 is equivalent to 13 percent of GDP. With development aid accounting for less than 12 percent of GDP over the 5-year period from 2003-2008, Ghana cannot, in the strict sense, be classified as a highly donor-dependent country, although the projections for 2009 and 2010 do indicate signs of potential incipient dependency. What is clear though is that most of the country's big ticket investments, particularly in the roads and energy sectors, are financed disproportionately from donor resources – nearly 44 percent of investment projects undertaken in the 2005-2008 period were financed with donor resources, and this is projected to increase to almost 60 percent in 2009 and 2010.⁹

Ghana receives ODA funds in four broad categories: (a) debt relief resources from the multi-donor debt relief (MDRI) initiative and the heavily indebted poor countries (HIPC) initiative (including exceptional financing from the rescheduling of bilateral debt on more favourable terms); (b) project support in the form of project loans and project grants to support specific projects and activities; (c) programme aid also in the form of loans and grants for budget support (general and sector); and (d) balance of payments support from the International Monetary Fund (IMF) (which was stopped after 2006 and has reappeared in the projections for 2009-2012).

Table 1: Ghana ODA Envelope (2003-2010 in million US\$)

	2003	2004	2005	2006	2007	2008	2009	2010
Total	1003.0	1130.1	1205.8	1471.8	1656.5	1649.6	2102.5	1896.8
IMF¹⁰	76.6	38.7	38.2	116.6	0.0	0.0	200.0	200.0
Debt Relief								
Grants	154.2	174.1	196.9	307.3	342.7	229.5	289.6	235.8
HIPC	154.2	174.1	196.9	209.8	246.1	158.4	191.9	168.8
MDRI	0.0	0.0	0.0	97.5	96.6	71.1	97.7	67.0
Budget Support	277.9	316.7	313.2	349.3	386.7	473.1	700.4	619.2
MDBS	277.9	309.0	281.9	312.2	316.6	368.1	525.2	451.2
SBS	0.0	7.7	31.3	37.2	70.1	104.9	175.2	167.7
<i>Swap</i>	0.0	0.0	0.0	0.0	12.1	15.2	86.9	81.2
<i>Earmarked</i>	0.0	7.7	31.3	37.2	58.0	89.8	88.2	86.5
Project Aid	494.4	600.6	657.5	698.6	927.0	947.0	912.5	841.8
GDP	7621	8853	10726	12729	14984	16085	14385	14870
<i>Total ODA (% of GDP)</i>	13.2	12.8	11.2	11.6	11.1	10.3	14.6	12.8

Sources: Aid & Debt Management Division, MOFEP; IMF; GoG Budget Statements; own calculations

⁸ These include balance-of-payments support from the IMF, and debt relief grants from the HIPC and the multi-donor debt relief initiatives.

⁹ Investment shares derived from official data from the GoG's fiscal accounts.

¹⁰ Balance of payment support.

Aid Composition

As shown in Table 2, between 2003 and 2007 project aid accounted for between 47 percent and 56 percent of total ODA flows, with an average share of 53.3 percent for the period, whilst budget support represented an average of 26.1 percent. This trend was expected to be reversed in 2009 and 2010 with the share of project aid projected at 44 percent whilst that of budget support is programmed at 33 percent of the total. After peaking at nearly 21 percent in 2006-2007, the share of debt relief resources declined to 14 percent in 2008-09 and is expected to drop further to under 13 percent in 2010. Balance of payments support from the IMF was stopped after 2006 and has reappeared in the projections for 2009 and 2010, with expected shares of around 10 percent of the total envelope.

Table 2: Composition of ODA Flows to Ghana by Type (percent of total ODA)

	2003	2004	2005	2006	2007	2008	2009	2010
Total	100.0							
IMF¹¹	7.6	3.4	3.2	7.9	0.0	0.0	9.5	10.5
Debt Relief Grants	15.4	15.4	16.3	20.9	20.7	13.9	13.8	12.4
HIPC	15.4	15.4	16.3	14.3	14.9	9.6	9.1	8.9
MDRI	0.0	0.0	0.0	6.6	5.8	4.3	4.6	3.5
Budget Support	27.7	28.0	26.0	23.7	23.3	28.7	33.3	32.6
MDBS	27.7	27.3	23.4	21.2	19.1	22.3	25.0	23.8
SBS	0.0	0.7	2.6	2.5	4.2	6.4	8.3	8.8
<i>Swap</i>	0.0	0.0	0.0	0.0	0.7	0.9	4.1	4.3
<i>Earmarked</i>	0.0	0.7	2.6	2.5	3.5	5.4	4.2	4.6
Project Aid	49.3	53.1	54.5	47.5	56.0	57.4	43.4	44.4

Sources: Aid & Debt Management Division, MOFEP; IMF, GoG Budget Statements, own calculations

Multi-Donor Budget Support (MDBS)

Budget support involves the transfer of DPs' financial resources directly to the Government treasury (or Consolidated Fund) to complement the Government's own domestically generated revenues and facilitate the implementation of the national budget and its associated public expenditure plans. The instrument used by DPs to deliver general support in Ghana is known as Multi-Donor Budget Support (MDBS).

MDBS represents a move away from the sectoral and project-driven approach to development assistance. The primary objective of MDBS is to provide additional and predictable financial resources to implement the Government's poverty reduction initiatives in a harmonised manner and using country systems. MDBS is also expected to contribute to the strengthening of institutional capacity for designing and executing development policies and to foster domestic accountability and transparency.

The GoG signed the first MDBS framework memorandum (FM) – the structure that provides the guiding principles for implementing budget support – with 9 DPs in June 2003 to support the implementation of the Ghana Poverty Reduction Strategy (GPRS-I). The DPs included the AfDB, Canada, Denmark, the EU, Germany, the Netherlands, Switzerland, the UK and the World Bank. France also signed in 2005 increasing the number of contributing donors to 10. In July 2008, the GoG signed a

¹¹ Balance of payment support.

new FM with 11 DPs (including Japan) in support of the Growth and Poverty Reduction Strategy (GPRS-II). Guiding principles of the MDBS process include:

- the maintenance of sound macroeconomic policies;
- commitment to achieving the GPRS-II objectives and the Millennium Goals (MDGs);
- continuing peace and respect for human rights;
- adherence to the rule of law;
- democratic principles and the independence of the judiciary;
- sound budgeting and public financial management (PFM) systems; and
- the promotion of good governance, accountability of the Government to the citizenry, including an active fight against corruption.

In order to strike a balance between the predictability of aid inflows and the objective of encouraging reform, the MDBS agreement with bilateral DPs states explicitly that yearly budget support will be disbursed in two equal parts (or tranches) based upon a satisfactory annual review of the GoG's performance. The annual review between the GoG and the MDBS DPs consists of two major components: (i) a holistic assessment of progress in the implementation of the national strategy and sound macroeconomic management by the IMF; and (ii) a more in-depth evaluation of performance against specific targets. These targets are jointly agreed upon by both the GoG and DPs and spelled out transparently in the GoG's Progress Assessment Framework, which covers a number of different sectors ranging from public financial management (PFM) and decentralisation to agriculture and social protection. The first tranche or "base payment" is made following a positive holistic assessment including a review of macroeconomic performance by the IMF. The second tranche, or "performance payment", depends on the outcome of a joint progress assessment of key areas of reform, notably: PFM; the budget process; decentralization; public sector reform; governance; and poverty-related expenditures to the social sectors.

As depicted in Table 3, since the introduction of MDBS as an aid modality, the profile of development assistance to Ghana has improved remarkably. Nearly 100 percent of funds pledged in support of Ghana's budget in 2003, 2005 and 2007 were fully disbursed. Disbursements actually exceeded pledges in 2004 and 2008 due, in part, to exchange rate differences between the US dollar and the original currency of disbursements. 2006 and 2009, however, recorded disbursements rates below 90 percent; but these were still marked improvements over the average DPs' disbursement/pledge ratio of 64 percent in the 1990s.

Table 3: MDBS Resources: Pledges vs. Disbursements (in million US\$)

	2003	2004	2005	2006	2007	2008	2009
Pledges	281.4	302.16	285.33	372.43	319.57	347.90	601.1
Disbursements	277.9	309.03	281.88	312.16	316.57	368.13	525.20
<i>Disbursement Rate (%)</i>	98.8	102.3	98.8	83.8	99.1	105.8	87.4

Sources: MDBS Directorate, MOFEP

Ghana Joint Assistant Strategy (G-JAS)

In February 2007, a group of 16 DPs signed the 4-year Ghana Joint Assistance Strategy (G-JAS). G-JAS was designed to improve alignment of DPs' development assistance with Ghana's development priorities and provide a framework for

implementing the Paris Declaration. The need for DPs to work together effectively, both to support the Government's efforts at increased coordination (between the GoG and DPs and among DPs themselves) and to increase the overall impact of assistance on national strategic goals (i.e. GPRS-II goals) was the catalyst behind the development of the G-JAS.

The major objective of the G-JAS is to improve the alignment of development assistance with the core business of the Government and the Government's political and partnership cycle. It builds on commitments by DPs to work toward the achievement of the goals and priorities of the GPRS-II and to accelerate progress against mutually defined harmonisation principles.

An important precursor to the G-JAS is the Ghana Partnership Strategy (GPS) which was endorsed at the November 2005 Consultative Group Annual Partnership Meeting (CG-APM) and updated for the CG-APM in June 2006. The GPS consists of: (i) a results matrix which maps DP-funded activities to GPRS-II policy priorities; (ii) an annual harmonisation action plan; and (iii) an overview of external assistance, detailed by GPRS-II pillars and sectors. As such, the GPS provides a framework for monitoring the effectiveness of development assistance in supporting GPRS-II.

The GPS results matrix provides the overall framework for the DPs' support for Ghana to achieve measurable outcomes in accordance with the GPRS-II. The GPS also includes a rolling Harmonisation and Action Plan (G-HAP) based on the Paris Declaration where G-JAS DPs' commitments have been fully aligned with the commitments of the G-HAP.

The G-JAS involves the majority of Ghana's GPS DPs (accounting for about 95% of ODA flows) who wish to take their response in support of the GPRS-II one step further. It consists of five interlinking elements that contribute to a comprehensive approach to the aid relationship in Ghana:

- a joint assessment of the current country situation (political, economic, social);
- a joint description of the major challenges facing Ghana in its quest to achieve the MDGs and the status of a middle-income country;
- a statement of principles and commitments on how G-JAS partners will work with each other, with the Government, and with stakeholders from civil society and the private sector;
- priorities for the joint DP response at the GPRS-II pillar and sector level; and
- arrangements for results monitoring and risk mitigation.

The G-JAS spans the 4-year period 2007-2010. This timeframe was adopted to take into account Ghana's national cycles: new governments are elected in December every 4 years (2004, 2008, 2012) and the next GPRS time-slice is prepared during the government's first year in office (i.e. 2005, 2009, 2013) for implementation during the next 4-year cycle (2006-2009, etc.). The first year of GPRS implementation (2006, etc.) is, therefore, considered the appropriate time when G-JAS DPs can consult with the GoG and other stakeholders to review new GPRS priorities and make any needed alignment and programming adjustments which would then be reflected in the subsequent G-JAS framework (2007-2010, etc.).

Following the adoption of the G-JAS, partner-by-partner decision making on aid allocations has been replaced by better cooperation and joint programming,

anchored in the national development strategy. At the end of the G-JAS period in December 2010, the following improvements are expected:

- higher quality dialogue between DPs and the Government;
- improved aid delivery through a better division of labour and a solid process for deciding which donor is active in which sector;
- greater harmonisation in the way development assistance is delivered;
- increased reliance on programme-based modalities and coordinated technical assistance programmes that support government priorities;
- improved predictability in resource flows and reduced transactions costs for the Government; and
- better alignment of DPs' country strategies and resource allocations with GPRS-II goals and priorities.

The G-JAS reflects strong political will on the part of DPs to engage in a more harmonised and efficient dialogue with the GoG in all aspects of development cooperation. That notwithstanding, the G-JAS is not legally binding. Consequently, to the extent that the G-JAS is inconsistent with the laws, agreements or policies of any signatory, such laws, policies, and commitments will prevail.

Mid-Term Review of the G-JAS

An independent mid-term review of the G-JAS was undertaken in 2009 to, among other things, assess the DPs' performance with respect to their aid effectiveness commitments. The review involved three main elements:

- a self-assessment by each of the G-JAS partners comparing their own performance against individual G-JAS commitments, and a peer review by two other DPs;
- two sectoral case studies, on water and sanitation, and health; and
- two thematic case studies on the quality of dialogue and the division of labour.

The review covered 13 of the 16 G-JAS DPs who have been active participants in aid effectiveness processes in Ghana: Canada, Denmark, the EU, France, Germany, Japan, the Netherlands, Switzerland, the UK, USA, the AfDB, the UN Group and the World Bank.

The self-assessment indicated that overall good progress was made by DPs in a number of areas. G-JAS commitments were either achieved or substantially on track in the following areas:

- reducing the burden of conditionality;
- increasing use of joint analytical work;
- scaling up of budget support (although levels are still well short of the 80 percent that the GoG has proposed in its draft Aid Policy);
- phasing out of parallel project implementation units;
- making multi-annual funding commitments;
- providing regular and timely information on disbursements;
- reducing tied aid; and
- observing the national mission free period.

The review also mentioned some areas where the GoG and DPs are yet to establish credible processes for meeting their joint commitments. In particular:

- The GoG has not articulated its preferred capacity-building approaches. Ministries have been poor at articulating their capacity needs and incorporating capacity development objectives into their strategies. As a result, capacity building support from DPs remains fragmented and supply-driven.
- While some sharing of mission schedules occurs through sector working groups, this has not been enough to increase the level of joint missions.
- Although some efforts have been made to develop joint monitoring arrangements in a number of sectors, parallel monitoring systems are still common and individual monitoring missions continue to be burdensome on counterparts.

There were some areas where performance was mixed across different groups of DPs. The following three cases were cited by the review team:

- On selectivity and division of labour, the EU and its member states have made significant efforts to reduce their areas of engagement in accordance with the EU Code of Conduct. Other DPs still have a “long tail” of projects across too many areas.
- Some DPs have made programme-based approaches (PBAs) the default option for their assistance. Others are making relatively small contributions to PBAs, while maintaining a substantial suite of stand-alone projects, often in the same sector.
- The use of country systems for aid delivery has become the default option for some DPs. For others, it is limited to budget support operations, while projects are still delivered through separate channels.

2.2 Idea and practice of mutual accountability in Ghana

In the understanding of traditional aid relations the recipient is unilaterally accountable to monitor and fulfil its obligations as a precondition for further disbursements. The mutual accountability approach views aid relations as a more balanced partnership with reciprocal obligations, and these are matched by symmetrical mechanisms of accountability.¹² The idea of mutual accountability is rather new and the design of appropriate mechanisms is, to a large extent, still in uncharted territory. There are a number of experiences and lessons learned emerging from the international and the country level. Both, recipient as well as donor countries are primarily accountable to their home constituencies (parliament, civil society, citizens). The quality of mutual accountability mechanisms in aid relations depends on the quality of domestic accountability in donor as well as partner countries. It should be noted that accountability of recipient governments to donors is, of course, an integral part of mutual accountability but is disregarded for the purposes of this baseline report.

There are quite a number of *international mechanisms* to promote and practice mutual accountability.¹³ Most of them are rather weak, with blurred targets, unclear monitoring, and limited recipient voice.¹⁴ Among the more effective and prominent

¹² See OECD 2009A, p. 1.

¹³ See OECD/OPM 2008A.

¹⁴ “Many mechanisms monitor the overall performance and progress of donors as a whole, or sub-groups of them. Much less frequent is high quality, regular monitoring of the performance of specific,

ones are the African Peer Review Mechanism (APRM), the Strategic Partnership with Africa (SPA) and the Public Expenditure and Financial Accountability (PEFA).. Most important in this context are the Paris and the Accra Agenda Action. The PD/AAA are based on the principles of ownership, alignment, harmonisation, results and mutual accountability. The Declaration defines the principle of mutual accountability as follows: “Donors and partners are accountable for development results”. More specifically, (1) donors commit to “provide timely, transparent and comprehensive information on aid flows so as to enable partner authorities to present comprehensive budget reports to their legislatures and citizens”¹⁵, and (2) partner countries and donors commit to “jointly assess through existing and increasingly objective country level mechanisms mutual progress in implementing agreed commitments on aid effectiveness, including the partnership commitments”¹⁶. Indicator 12 of the Declaration relates to mutual accountability and monitors the existence of a country level mechanism permitting joint assessments of progress in the implementation of the commitments on aid effectiveness. The Accra Agenda confirmed the will to put in place mutual assessment reviews in all countries having endorsed the Paris Declaration by 2010, also using “credible independent evidence” and drawing on “stronger parliamentary scrutiny and citizen engagement”.¹⁷

Mutual accountability at the **country level** stands for the effort to redesign aid relations and transform them into a more collaborative compact pursuing shared aid effectiveness and developmental objectives.¹⁸ According to targets set in the Declaration, by 2010 all partner countries are supposed to have a mechanism for mutual accountability in place. However, progress has been rather modest so far.¹⁹ There is no blueprint emerging. Partner countries approach mutual accountability monitoring differently²⁰. A number of national initiatives have been taken which can be used as learning ground on how to measure DPs’ progress. An early example is the Independent Monitoring Group in Tanzania which evolved as a result of a crisis in Government-donor relations. A unique case is Vietnam where the government jointly with its DPs agreed on a contextualised and national version of the Paris Declaration²¹. Joint monitoring through progress reports and surveys is widely practiced in many partner countries. Quite a number of countries use PAFs to follow up government progress. However, DPs’ commitments usually only play a marginal role. Four countries (Burkina Faso, Mozambique, Rwanda, and Vietnam) have additionally developed a comprehensive DP-PAF matrix. Benin and Zambia integrate in their PAF to measure government performance also some indicators to monitor DPs obligations (Benin: 6; Zambia: 3). In some of these countries the DP-PAF is used to assess performance of budget support donors only.

Ghana has endorsed the Paris Declaration and the Accra Agenda. The GoG has underlined its determined commitment at the international level by participating in the

individual actors. More rare still is monitoring on the performance of specific donors in specific countries.” OECD/OPM 2008B, p. 6.

¹⁵ PD Art. 49.

¹⁶ Ibid. Art. 50.

¹⁷ AAA Art. 24.

¹⁸ See OECD/ODI 2009.

¹⁹ According to the 2008 Survey, in 2007 only 13 (24%) out of 55 countries reviewed had such mechanisms. OECD 2009B, p. 96.

²⁰ See OECD/ODI 2009, pp. 30-35.

²¹ Hanoi Core Statement on Aid Effectiveness, Hanoi 2005.

DAC's Joint Venture on Monitoring the Declaration, by hosting the High Level Forum on Aid Effectiveness in 2008, and by participating in the OECD Working Party on Aid Effectiveness. At the national level, however, "dialogue between the GoG and DPs on aid effectiveness issues has been relatively poor"²². The Ghana report on the 2006 Survey of the Declaration refers to the Aid Harmonisation and Effectiveness Matrix agreed at the 2005 CG-meeting, confirming the existence of such a mutual accountability vehicle, albeit being rated as "moderate" and a "first step only".²³ Progress in taking further steps and developing such a mechanism has been limited. The GoG states in its recent draft Ghana Aid Policy 2010-2015: "There is significant asymmetry in the accountability of aid in Ghana. The GoG is accountable to DPs through numerous reporting arrangements. However, no formal mechanism exists to ensure DPs are also accountable to GoG"²⁴. It even goes a step further to say that "cooperation is based on the principle that mutual accountability is genuinely led by GoG and based on this aid policy"²⁵. And: "Government would begin the process of developing a Progress Assessment Framework for analyzing the manner in which Development Partners engage with the Government in Ghana"²⁶.

While the aid effectiveness principles and other DPs' obligations are formally anchored in a multitude of declarations, memorandums and agreements, there is no formal provision for the specific vehicle of a DP-PAF in Ghana. Both the GoG and DPs have, however, expressed their willingness to address this shortcoming by developing an elaborate DP-PAF to be used to assess DPs' performance in delivering aid to Ghana.

3 Conceptual elements of a DP-PAF

3.1 Objectives

In the spirit of mutual accountability, the DP-PAF draws inspiration from the need for the GoG to take the lead and drive the development process in the country. More specifically, the tool of a DP-PAF pursues the following objectives:

- The DP-PAF serves as an instrument to selectively **monitor** the implementation of the principles of international statements such as the Paris Declaration and Accra Agenda, but also the Ghana Aid Policy, the G-JAS, and the obligations of the MDBS;
- The DP-PAF is a tool to **stimulate** the improvement of the DPs' performance, both as a group and individually if shaped on a multi-annual basis and linked to individual and collective target setting in the agreed selected areas;

The DP-PAF is to be constructed and monitored in a manner that permits the formulation of collective targets for the group of donors as well as individual targets for each participating DP. The experience in Burkina Faso and Mozambique shows that such a double level approach improves performance through peer pressure and

²² Cox/MacCarthy 2009, p. 44.

²³ DAC 2007, pp. 14-1 and 14-12.

²⁴ MOFEP 2009, Art. 1.37.

²⁵ MOFEP 2009, Art. 3.72.

²⁶ MOFEP 2009, Art. 1.38.

is a helpful instrument of information for the partner government. It is not a “naming and shaming” approach but the DP profiles with individual strengths and weaknesses and interagency comparisons can be used by DPs’ country offices in negotiations with headquarters. Also Rwanda’s approach comprises both levels whereas in Vietnam the government is keen to get a disaggregated picture in future.

The DP-PAF is not an end in itself but it will ultimately serve to improve aid and development effectiveness notably by **stimulating an open dialogue** on donor performance in Ghana. A fruitful dialogue is not the result of quantitative figures only but requires information and exchanges on the qualitative dimensions as well. It is, moreover, a vehicle to ignite and intensify discussions between DPs’ country offices and headquarters on internal constraints influencing aid effectiveness. The discussions and actions it prompts are as important as the extent to which the indicators truly capture every aspect of performance. With that in mind, a number of key principles and processes are to be observed.

3.2 Principles

A mutual accountability mechanism is characterised by a number of core elements²⁷: (1) a shared agenda; (2) a monitoring framework; (3) transparency. These core elements are embedded in a process comprising dialogue and negotiation.

A **shared agenda** between the Government and the DPs is the ground on which a productive mutual accountability process can grow. In Ghana, the basis of a shared agenda are mainly the GPRS-II (2006-2009) and its successor the Medium-Term Development Plan Framework (2010-2013), the Ghana Aid Policy (2010-2015), the G-JAS, the Ghana Partnership Results Matrix, and to a lesser extent the G-HAP. More particularly, the DP-PAF is based on (1) the principles of the Paris Declaration and the Accra Agenda for Action as enshrined in the G-HAP (for all DPs who endorsed the Declaration), taking care of (2) the Ghana Aid Policy, the G-JAS and the DPs’ division of labour, and on (3) DP obligations laid down in the MDBS FM (for MDBS partners)—budget support being the preferred aid modality of the GoG. Shared goals are matched by reciprocal commitments. The risk of becoming jointly accountable instead of moving to mutual accountability should be avoided.²⁸

A **common monitoring framework (matrix)** is the technical tool to enhance implementation. The matrix consists of a number of indicators and measures, and covers the DPs’ cooperation portfolios, harmonisation, alignment, predictability, transparency, capacity development, and MDBS-related indicators. The indicators are meant to be specific, measurable, achievable, relevant and time-bound. The size of the DP-PAF is to be limited, and the indicators should have a strategic dimension and be consistent with the PD/AAA. Any sector level indicator would have to be determined and agreed upon by the sector working groups to ensure a coherent approach. The matrix is linked to the base years (2008/2009) and cover a multi-annual prospective period with rolling objectives, initially set for 2010, 2011, and 2012. Available data from the G-JAS mid-term review, the Declaration’s monitoring or

²⁷ OECD 2009, p. 1; OECD/ODI 2009, pp. 19-41.

²⁸ Evans 2007, p. 7.

other related processes are re-used to the extent possible. A well developed ODA database is an asset and facilitates the monitoring effort. One requirement for the indicators is that they ought to be within the power of the DPs to achieve. It should be noted, however, that donor performance as measured by some indicators will be contingent also on government performance as for example alignment is strongly linked to the strength of government systems.

Transparency matters. This baseline report as well as the annual progress assessment reports and their follow up notes have to be part of the public domain to facilitate information access by interested parties and to give a greater chance to effective peer pressure processes. This is fully in line with the recent moves of the GoG and the MDDBS DPs to improve external communication, including making key documents publicly available. In all countries with a comprehensive DP-PAF (Burkina Faso, Mozambique, Rwanda, Vietnam) the monitoring reports are available, and in some of them the Aide Mémoire of the budget support annual review as well. Transparency is a prerequisite for an informed public and this again is conditional for public support of development assistance.

3.3 Process

In an agreed **process of dialogue and negotiation**, every year the GoG and the DPs assess progress against the DP-PAF. The annual calendar of the aid partnership is to provide adequate space for dialogue on the DP-PAF assessment and its update. It is proposed to discuss the performance of DPs in the CG Annual Partnership Meeting (CG – APM). On the occasion of the MDDBS Annual Review, the performance of MDDBS DPs and their subset of MDDBS-specific indicators and measures can be discussed. The CG discussions and the results including the revised and updated DP-PAF matrix will be taken note of in the minutes. Results and discussions on the MDDBS-specific parts of the matrix are summarised in the MDDBS AR Aide Mémoire. The forthcoming elaboration process of the first DP-PAF should allow a meaningful participation of stakeholders to ensure awareness and ownership in the GoG and among DPs.

Credibility is enhanced by an **independent review process**. The G-HAP and Aid Effectiveness Action Plan, endorsed at the CG Meeting in 2005, provides a verification of progress through an independent assessment mechanism. Its implementation has been delayed, however. The annual progress reports²⁹ on the G-HAP note that an agreement on the creation of such an independent monitoring mechanism³⁰ is pending. The annual assessment of DPs' progress is preferably entrusted to an independent expert/institution in order to ensure credibility. The mandate goes beyond a mere quantitative assessment of the DP-PAF but covers the context of government-donor and donor-donor relations as well. It is a well founded experience from the PEFA process and from other countries (Burkina Faso,

²⁹ E.g. World Bank 2008, p. 19.

³⁰ Such a mechanism could consist of an annual independent monitoring report submitted to the GoG and the DPs (as proposed in this paper, similar to Burkina Faso, Mozambique, Vietnam), or of a permanent independent aid monitoring panel (as proposed by Evans 2007, similar to Tanzania), or of a combination of the two.

Mozambique, Rwanda, Vietnam) that “independent monitoring mechanisms are bringing an impartial perspective on complex issues that might otherwise remain unspoken”³¹. Therefore such an independent monitoring is of utmost significance for a credible assessment of DPs’ performance but can equally be of significance in case of disputes for the assessment of the GoG’s performance.³²

An ***inclusive approach*** through the participation of domestic stakeholders like parliament, civil society and the private sector in the monitoring process is a major concern of the Accra Agenda. The active involvement of other stakeholders in the aid partnership processes is an important point on the joint agenda of the GoG and the MDDBS DPs.³³ Broad participation and country ownership add legitimacy and contribute to aid and development effectiveness. In the case of the DP-PAF, such an inclusive approach should include interviews with other stakeholders by the independent assessment team. The presence and active participation of members of parliament, civil society and the private sector in the annual dialogue at the APM and the MDDBS annual review strengthens an informed debate on the aid partnership. Non-state actors from donor countries may play a critical role as well. It is obvious that all these stakeholders require sufficient knowledge and capacity to take advantage of such new opportunities. The DP-PAF contributes to transparency and creates a complementary, non-competing stream of accountability of donors to the partner country’s domestic stakeholders.

A predictable national context in economic and political terms is an asset for moving towards mutual accountability. Five critical ***factors of success*** for a mutual accountability mechanism were identified in a recent research report³⁴:

- ***Confidence***: A relationship of trust between the government, DPs and other stakeholders should prevail, and is in return reinforced by an effective mutual accountability dialogue;
- ***Leadership***: A strong government leadership is conducive for all DPs to understand and work towards the agenda of mutual accountability;
- ***Capacity***: Adequate capacity is needed on all sides to produce the information required, to monitor progress, to engage in dialogue, and to manage change;
- ***Credibility***: The aid partnership should be positively rooted in public opinion in Ghana as well as in the DP countries;
- ***Complementarity***: Lines of domestic and mutual accountability should be linked, build on each other and be mutually reinforcing.

The question of ***enforcement*** of DP-PAF violations remains unresolved. The DP-PAF is an instrument to enhance behavioural change of donors towards shared goals. The exposure of donors in a DP-PAF provides an incentive to follow up targets. While the donors can withhold their disbursements in case the partner government does not fulfil its agreed obligations, the partner government is in a much weaker position to sanction violations of agreed obligations on the DPs’ side. Donors

³¹ OECD/ODI 2009, p. 8.

³² The Ghana Aid Policy makes an explicit reference: “The use of policy and process conditionality by DPs has undermined mutual accountability in considerable ways when conditionality is subjected to DP interpretation.” And: “The GoG is committed to undertaking a joint assessment through the APR process and where disputes arise, to engage a third party to undertake an independent assessment.” MOFEP 2009, Art. 1.37 and 3.73.

³³ GoG/World Bank/Switzerland, Communiqué on the MDDBS High Level Meeting, 28 October 2009.

³⁴ See OECD/ODI 2009, p.9-10, 41-45.

run some reputational and relational risks but enforcement of obligations remains an unresolved challenge even with a DP-PAF making agreed principles and targets transparent. The ultimate step of the partner government to stop the aid flow from a non-performing DP is an option, albeit a costly one, and therefore to date rarely applied in practice. However, it is a widespread misconception to underestimate the negotiating power of aid recipients.

The process to establish a DP-PAF in Ghana will take care of the recently identified policy implications by OECD/ODI research done on mutual accountability at the country level³⁵: (1) that experimentation matters as there is no blueprint available; (2) there is the need to tap *into experiences already made* and exchange such experiences for learning; (3) we need to document experiences and facilitate their exchange to enhance the evidence base; and (4) that we must strengthen political and technical capacity. These policy implications should guide the elaboration process and its different steps on the way forward. The specific process is described in the following chapter.

4 DP-PAF elaboration process

4.1 Preparation

The DP-PAF elaboration process was initiated by compiling a ***list of key persons*** from both the DPs and the GoG (Chief Directors and Directors of Policy, Planning, Budget, Monitoring and Evaluation (PPME) Units of various Ministries, Departments and Agencies (MDAs)). This was done jointly by the Ministry of Finance and Economic Planning (MOFEP), the MDBS DPs' Co-Chair (Switzerland), and the consultants in order to ensure participation in and promote ownership of the DP-PAF process. The people on the list were then informed and invited to participate by the Minister of the MOFEP who acted on behalf of the GoG. All invited people were asked for an interview which, whenever possible, took place individually.

Interviews were held with representatives of 16 DPs (11 OECD/DAC members and five non-members³⁶; for a complete list see annex 1). The DPs interviewed also include all the MDBS DPs and 13 of the G-JAS DPs. International non-governmental organisations, however, are not included as donors in the DP-PAF and were, therefore, not contacted. GoG institutions and MDAs interviewed include: Parliament (Finance Committee); Bank of Ghana; National Development Planning Commission; Ministry of Education; Ministry of Water Resources, Works and Housing; Ministry of Women and Children's Affairs; Ministry of Trade and Industry; Ministry of Local Government and Rural Development; Ministry of Energy; Ministry of Justice and Attorney-General; and of course the MOFEP. Based on the feedback from the face-to-face dialogue and interviews, a draft DP-PAF and a related questionnaire were

³⁵ OECD/ODI 2009, pp. 50-52.

³⁶ The OECD/DAC DPs include Canada (CIDA), Denmark, the EU, France (Afd and Embassy), Germany (KfW and Embassy), Japan (JICA and Embassy), Korea, the Netherlands, Switzerland, the UK (Dfid), and the US (USAID and MCC). Non-OECD/DAC DPs were the AfDB, Brazil, UNDP, UNICEF, and the World Bank.

crafted by the consultants (see annex 3 which contains the draft DP-PAF including the comments from the consultation round as described in the next section).

The draft Ghana Aid Policy clearly states that the development of a DP-PAF will be “applied to all Development Partners including MDBS DPs, non-traditional donors such as those of the BRICK countries and vertical fund donors such as the Global Fund”.³⁷ As already mentioned, there are currently 11 signatories to the MDBS FM and 16 DPs endorsed and signed the G-JAS.³⁸ It is also worth noting that some of the non-traditional donors like the BRICK countries and the Global Fund have endorsed the Paris Declaration³⁹, including the principle of mutual accountability.⁴⁰ It is hoped, therefore, to attract the interest of these DPs and to broaden the DP coverage during the 2010/11 process.

4.2 Consultation

Early February 2010 a first ***draft for a DP-PAF*** was circulated to all contacts on the initial list, including those who could not be reached for the initial face-to-face interview. This was again accompanied by a covering letter of introduction signed by the Minister of the MOFEP. Stakeholders were invited to share general comments on the proposed DP-PAF, in terms of size, structure, key themes, etc., and, equally important, they were invited to react on the specific proposed indicators.

13 DPs⁴¹ responded by ***responding to the questionnaire***. Moreover, written GoG feedback was received from four GoG ministries⁴². These responses and feedback provided the basis for revision of the initial draft DP-PAF and to prepare the inputs for the follow-up review workshop. In general, the initiative of the GoG for a DP-PAF was much appreciated. DPs hope that this process will improve GoG ownership and lead to better development results in Ghana, and were happy to see the GoG taking the lead in this exercise and hope to see its strong involvement during the whole process of assessment, which is a key factor for its success. Following are some of the major concerns expressed by the respondents to the DP-PAF survey questionnaire:

- *Size of the DP-PAF*: The size of the proposed DP-PAF is large, be less comprehensive and more selective in view of most meaningful and strategic indicators to GoG;
- *Quantitative vs. qualitative dimension*: Too much emphasis on quantitative indicators to the detriment of the qualitative dimension of the partnership, add a column for comments by DPs and GoG; better indication required whether answers should be qualitative or quantitative;

³⁷ MOFEP 2009, Art. 1.38.

³⁸ 13 of the 16 G-JAS DPs are active participants in aid effectiveness processes in Ghana – the 11 MDBS DPs plus the US and the UN Group (see Cox/MacCarthy 2009, op. cit., p.2). Italy, Spain and IFAD signed the G-JAS in 2007 but did not actively pursue aid effectiveness concerns.

³⁹ Brazil's confirmation is pending, see OECD

http://www.oecd.org/document/22/0,3343,en_2649_3236398_36074966_1_1_1_1,00.html.

⁴⁰ The DP-PAF in Rwanda and Vietnam encompass all DPs (however, in practice with partial success only) whereas in Burkina Faso and Mozambique its outreach is limited to budget support donors.

⁴¹ Namely the following: AfDB, CIDA/Canada, Denmark, EU, AfD/France, Germany, JAICA/Japan, Netherlands, Switzerland, DfID/UK, MCC, USAID, World Bank.

⁴² Namely the following: MOFEP (Aid and Debt Management Division); Ministry of Women and Children Affairs; Ministry of Trade and Industry; and the Ministry of Health.

- *Inclusive approach:* The exercise is relevant to more DPs than just the MDDBS-partners or the G-JAS signatories. The involvement of non-traditional donors (in particular the BRICK countries) and new donors is a prerequisite for the success of this exercise. A less technical but more qualitative and open dialogue might facilitate the intention to integrate “emerging” donors so that the DP-PAF could serve as a basis for discussions; make the assessment as transparent as possible and inclusive of all DPs, and in view of the latter as user friendly as possible, especially for the smaller offices;
- *Common understanding:* The questionnaire lacks some basic definitions. The assumption that all survey participants understand the technical terminology and acronyms used in the questionnaire is presumptive and incorrect. As a result it is difficult to address the issues. The complexity of the questions requires a deep analysis of all ongoing projects from the questionnaire’s perspective in order to be accurate. There is a need for a common understanding of this matrix by all DPs, including DPs which currently do not take much part in the harmonisation process in Ghana, and a meeting including all these DPs would be very welcome;
- *Relationship to the monitoring of the Paris Declaration:* The DP-PAF draws heavily on the Paris Declaration Survey and to a large degree duplicates efforts and creates additional transaction costs (e.g. through annual monitoring). The DP-PAF should be directly linked to the Paris Declaration Monitoring Survey and contain only those aspects that are not covered by the latter. A lot of data is also already collected centrally by OECD/DAC on a yearly basis – this should not be reiterated in the questionnaire. The Paris Declaration Survey has for good reasons a 2-year cycle. What in relation to the questions raised above and the fact that this exercise will be very time-consuming is the argument to make it a one-year routine?
- *Country specific indicators:* Despite the numerous questions there are only very limited relations to country-specific priorities and processes. We would welcome and strongly support a DP-PAF which focuses on practical issues related to initiatives going on, not double processes. Together with a clear prioritisation (e.g. monitoring indicators of areas where GoG defines needs and/or political emphasis) on fewer aspects this could lead to meaningful results on country level. A stronger focus should be on indicators reflecting commitments from the Accra Agenda such as support to capacity development, strengthening country systems, strengthening domestic accountability, etc. and to adapt them to country-specific targets;
- *Bias to financial cooperation tools:* There is a strong bias, implicitly and explicitly, giving preference to financing instruments such as GBS. Although the Ghana Aid Policy states that GBS is the preferred modality of the GoG, it should be noted that neither the Paris Declaration nor the Accra Agenda require DPs to provide a certain percentage or an increasing amount of budget support. Other modalities such as project support and capacity development through technical cooperation should be better reflected;
- *Policy reform indicators lacking:* Nowhere in the assessment is there a measure of impact on policy reform and implementation. This may or may not cost a lot but is key for GoG capacity development and overall development goals;
- *DP-PAF links to GoG capacities:* A number of the indicators do have a strong GoG component, i.e. DPs performance cannot be assessed independently without considering the implications of constraints on the Government side. The DP-PAF should be clearer about the individual responsibilities of DPs and

partners. Several indicators in the DP-PAF cannot be reached by DPs alone but are subject to the performance of partners (e.g. F2: Without sector plans that specify capacity development needs, DPs cannot align their capacity development support effectively to partner priorities). Will there be space in the DP-PAF for qualitative statements that justify outcomes?

In addition to these comments, the respondents had to perform a priority ranking for each indicator. These as well as many **remarks on specific indicators** are also documented in detail in annex 3. The tables in annex 3 not only summarise the comments on specific indicators but propose a conclusion in each case as well. In some areas alternative indicators were proposed. To the extent possible the consultants took these concerns into account when revising the DP-PAF in view of the workshop which was the next step in the process. It is described in the following chapter.

Furthermore, a number of comments brought forward in the returned questionnaires referred to the **way forward** and went beyond the revision of the DP-PAF matrix. These comments are taken care of below in chapter 7 which outlines the continuation of the exercise in 2010/11.

4.3 Workshop

The overall **objective** of this half-day workshop on April 15, 2010, was to discuss, revise and validate the draft DP-PAF. The workshop achieved the desired results in the sense of (1) providing the consultants with an orientation for finalizing the DP-PAF, and (2) broadening ownership for the DP-PAF on both the Ghanaian and the DPs side.

The broad **participation** in the workshop was an asset and encouraging. Some 50 people from the GoG (MOFEP and various other ministries), the DPs and civil society attended the workshop and participated in the discussions (see the list of participants in annex 4).

The draft **programme** for the workshop on the design of a DP-PAF had indicated that the GoG would be represented at a very high level and Mr. Fifi Kwetey (Deputy Minister of MoFEP) and Mrs. Effie Simpson Ekuban (Acting Chief Director) were both expected to address the gathering. A cabinet retreat called by the President at last minute, however, prevented them from participating. The chair was taken at short notice by Professor Newman Kusi, Special Advisor to the Minister of MOFEP, and the presentation prepared for the Chief Director was read by David Quist, a senior staff of MOFEP. On the DPs side, Michiel Bierkens, chair of the Heads of Cooperation (HOC), from the Netherlands opened the workshop and brought the DPs' expectations forward. DPs did not prepare to speak with one voice, the HOCs chair's intervention was in the name of the Netherlands but in practice his statement was rather perceived as the DPs' concerns. The two consultants jointly prepared two presentations framing the concept of the DP-PAF, summing up the process so far, reviewing the general concerns of the respondents to the questionnaire as well as the individual indicators, and some concluding proposals by the consultants. After these presentations a discussion round followed. The moderation was in the knowledgeable hands of Veronica Sackey, MDDBS coordinator in MOFEP.

The **Chairman** emphasized in his introduction and his later interventions

- The need to embed the indicators into the GoG strategic orientation. To some extent this is the case at present as the background notes for the DP-PAF provide the rationale for each indicator;
- The coverage of all DPs, beyond MDBS, as the “beauty” of the DP-PAF, and the use of it as an operational tool to monitor the delivery of aid resources against commitments, and to ensure that performances are coherent with both the letter and the spirit of the Paris Declaration and Accra Agenda. However, the DP-PAF might be seen by non-traditional donors as a potential “straight-jacket”.

Stimulated by the introduction of the HOC’s chair, a number of **key issues** were mentioned and discussed at the workshop:

- *Ghanaian ownership* is a precondition for a successful exercise. The workshop was intended to demonstrate ownership by ministerial representation which in the end was not the case; considerable efforts were acknowledged while the overall picture remains mixed so far.
- Any *duplication* of other on-going efforts, e.g. PD/AAA-monitoring should be avoided. This is a shared concern, with the conclusion of the consultants to include the Declaration’s indicators rather than having two separate exercises. GoG representatives stated that it is in the interest of the country to have annualised figures in future and this will be ensured when PD/AAA indicators are included in the DP-PAF.
- The danger of developing a matrix with *too much of a quantitative and technical focus* was mentioned. The consultants described three windows for qualitative contributions in the revised DP-PAF process: (1) in the questionnaire the figures for each indicator can be commented upon; (2) the questionnaire has the partnership area which is entirely qualitative; (3) in the assessment process the questionnaires will be followed by interviews offering again the possibility of qualitative comments.
- The *DP-PAF matrix should be downsized*. The streamlining of the DP-PAF from 33 indicators in the first draft of the matrix to 23 in the revised proposal was welcomed. Led by the Chairman, some speakers asked for a further reduction. However, on the other hand several participants regretted that a number of specific indicators had been dropped. As a result, the final draft of the matrix settled on 23 indicators.
- As many players as possible, in particular *non-traditional DPs*, should be included. It was emphasized that the non-traditional donors may require a different approach. They may not recognize and understand their own role as DPs. In particular personal contacts will play a key role as a door opener. The technical language (jargon), the many abbreviations, etc. pose problems. Joining the efforts now would have offered great flexibility. Common ground should be the new Ghana Aid Policy. The Australian High Commission was represented at the Workshop, in spite of the fact that Australia did not submit a filled in questionnaire to the consultants.

Particular concerns were raised with respect to the following specific indicators:

- *Partition of labour*. The consultants had proposed to drop the indicator “(average) number of sectors of intervention per DP” because of mixed support and contextual problems. Several speakers regretted this move as a loss of an

important topic. The consultants decided to reintroduce this indicator in the final draft.

- *Allowances and per diems*: A harmonisation around a uniform GoG level could be attractive for DPs but is not yet in sight. Despite a keen interest by many DPs in the issue it would be premature to have such an indicator in the performance matrix for DPs.
- *The role of the IMF*: An MDBS-related indicator had been included in the draft DP-PAF “Number of DPs taking into account opinions beyond the IMF on macroeconomic status of Ghana before MDBS disbursement decisions”. It was said by the Chair that relations with the IMF are delicate – disbursements by many donors can be held up by one institution. A DP perceived the indicator as a mistrust of the IMF. However, most DPs take other opinions into account anyway (MDBS macroeconomic working group, own opinion of country office staff). The consultants decided to drop this element in the final DP-PAF draft.

A speaker mentioned that the relationship of the DP-PAF to similar efforts at the sector level, notably in health, should be clarified. It was explained that the two initiatives are meant to be complementary and non-competing.

It may be noteworthy that on the occasion of the workshop no new specific issues were brought forward for inclusion in the DP-PAF matrix.

5 DP-PAF (final draft)

The final draft of the DP-PAF is the combined result of the three preceding phases: Preparation (interviews), consultation (questionnaire) and the workshop. For detailed conclusions refer to the preceding chapters 3 and 4 and the respective annexes. This final draft is also the basis for the baseline 2008/2009 reported in section 6 of this report.

A Portfolio

Results Area	Indicator	2008 Baseline (actual)	2009 Baseline (actual)	2010 Target	2011 Target	2012 Target
A. Portfolio	A1 % ODA to GoG recorded in the national budget (PD #3)			85%*		
	Comments on A1					
	A2 % ODA to GoG delivered as budget support: - GBS - SBS - DBS					
	Comments on A2					

Results Area	Indicator	2008 Baseline	2009 Baseline	2010 Target	2011 Target	2012 Target
	A3 (Average) number of sectors of intervention per DP					
	Comments on A3					

* PD target 2010

Background information

A1. % ODA to GoG recorded in the national budget	
Reference:	Paris Declaration indicator #3
Rationale:	Recording of ODA in the national budget is a proxy for alignment of aid to national priorities.
Definition:	Sum of external grants and loans on budget divided by total ODA disbursed for the government sector (PD definitions apply)
Means of verification:	Donor self-reporting; GoG Budget as approved by parliament.

A2. % ODA to GoG disbursed as budget support (GBS & SBS & DBS)	
Reference:	Ghana Aid Policy
Rationale:	DPs align with the GoG's declaration of budget support as the preferred aid modality (vision of at least 50% share in ODA).
Definition:	Sum of Budget Support disbursements divided by total ODA disbursed for the government sector. Budget Support is understood as an aid modality where the decision making authority on the use of funds is with the recipient: (1) Multi Donor Budget Support (MDBS) disbursements, (2) Sector Budget Support disbursements, (3) Decentralised Budget Support disbursements.
Means of verification:	Donor self-reporting; GoG Budget as approved by parliament.

A3. (Average) number of sectors of intervention per DP	
Reference:	Ghana Aid Policy; G-JAS; PD; Rwanda DP-PAF
Rationale:	A deliberate division of labour among DPs increases greater efficiency and effectiveness in aid delivery and reduces transaction costs. DPs are encouraged to work in fewer sectors of comparative advantage and to make use of delegated cooperation.
Definition:	Number of sectors of intervention per DP minus number of signed silent partnership / delegated cooperation agreements per DP. Sectors are PSD/trade, transport, agriculture, energy, environment/NRM, education, health, HIV/AIDS, water and sanitation, decentralisation, public financial management, public sector reform, gender, social protection, governance, other.
Means of verification:	Donor self-reporting; Review 2008 of DP Division of Labour in Ghana; G-JAS Review 2009

B Harmonisation

Results Area	Indicator	2008 Baseline (actual)	2009 Baseline (actual)	2010 Target	2011 Target	2012 Target
B. Harmonisation	B1 % of total missions that are joint (PD #10a)			40%*		
	Comments on B1					

Results Area	Indicator	2008 Baseline	2009 Baseline	2010 Target	2011 Target	2012 Target
	B2 % of donor analytic work that is coordinated (PD #10b)			66%*		
Comments on B2						
	B3 % of TC provided through coordinated programmes consistent with national priorities (PD #4)			50%*		
Comments on B3						

* PD target 2010

Background information

B1. % of total missions that are joint	
Reference:	Paris Declaration indicator #10a; G-JAS; G-HAP
Rationale:	Increasing the share of joint missions and reducing separate, duplicative missions reduces the transaction costs
Definition:	Number of joint missions divided by total number of missions (PD definitions apply)
Means of verification:	Donor self-reporting;

B2. % of donor analytic work that is coordinated	
Reference	Paris Declaration indicator #10b; G-JAS; G-HAP;
Rationale:	Joint diagnostic reviews strengthen the ground of shared analysis and reduce transaction costs.
Definition:	Number of joint country analytic work divided by total number of country analytic work (PD definitions apply)
Means of verification:	Donor self-reporting; PD survey

B3. % of TC provided through coordinated programmes consistent with national priorities	
Reference:	Paris Declaration indicator #4; G-JAS
Rationale:	Capacity development (human, organisational and broader institutional capacity) is the responsibility of partner countries with donors playing a support role. The effectiveness of technical cooperation can be enhanced by aligning to national efforts under GoG leadership and coordinating with other DPs.
Definition:	% of TC provided through coordinated programmes consistent with national priorities (PD definitions apply)
Means of verification:	Donor self-reporting; GoG; PD survey

C Alignment

Results Area	Indicator	2008 Baseline (actual)	2009 Baseline (actual)	2010 Target	2011 Target	2012 Target
C. Alignment	C1 % ODA to GoG disbursed using GoG PFM procedures (PD #5a)					
Comments on C1						

Results Area	Indicator	2008 Baseline	2009 Baseline	2010 Target	2011 Target	2012 Target
	C2 % ODA to GoG disbursed using GoG procurement systems (PD #5b)					
	Comments on C2					
	C3 Number of DPs making use of GoG's monitoring & evaluation capacities					
	Comments on C3					
	C4 Number of DPs having explained officially to GoG why they are not using Ghana's PFM & procurement & M&E systems and what needs to be done to use them					
	Comments on C4					
	C5 Number of parallel PIUs (project implementation units, PD #6)					
	Comments on C5					
	C6 % of ODA untied (PD #8)					
	Comments on C6					
	C7 % of total ODA disbursed in support of PBAs (PD #9)			66%*		
	Comments on C7					
	C8 Number of DP missions violating GoG silent period					
	Comments on C8					

* PD target 2010

Background information

C1. % ODA to GoG disbursed using GoG PFM procedures	
Reference:	Paris Declaration indicator #5a; PEFA; Ghana Aid Policy; Mozambique & Rwanda DP-PAF
Rationale:	When providing ODA to the government sector, the use of the GoG public financial management (PFM) systems strengthens the GoG's capacity to develop, implement and account for its PFM policies.
Definition:	% ODA disbursed to the government sector using public PFM systems in terms of budget execution procedures, financial reporting procedures, and/or auditing procedures (PD definitions apply)

Means of verification:	Donor self-reporting; GoG; PEFA 2009; PD survey
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C2. % ODA to GoG disbursed using GoG procurement systems

Reference:	Paris Declaration indicator #5b
Rationale:	When providing ODA to the government sector, the use of the GoG procurement systems strengthens the GoG's capacity to develop, implement and account for its procurement policies
Definition:	% ODA disbursed to the government sector using public procurement systems (PD definitions apply)
Means of verification:	Donor self-reporting; GoG; PEFA 2009; PD survey

C3. Number of DPs making use of GoG's monitoring & evaluation capacities

Reference:	AAA; G-JAS
Rationale:	In order to strengthen national capacities to manage public resources for results, donors are supposed to use country M&E systems.
Definition:	Number of DPs describing how they make use of country M&E systems
Means of verification:	Donor self-reporting;

C4. Number of DPs sharing reasons why they do not use Ghana's PFM & procurement & M&E systems

Reference:	AAA; G-JAS
Rationale:	In order to strengthen national capacities to manage public resources, donors are supposed to use country systems as their first option. Donors agreed to transparently state why they rely on aid delivery outside the country systems when they support activities managed by the public sector. This transparency is an incentive to improve.
Definition:	Number of DPs informing their partners officially on reasons why they do not use partner country systems in PFM, procurement and M&E.
Means of verification:	Donor self-reporting; GoG

C5. Number of parallel project implementation units (PIUs)

Reference:	Paris Declaration indicator #6; Ghana Aid Policy; G-JAS; G-HAP
Rationale:	PIUs undermine progress towards strengthening local capacity for planning, implementation, and accountability; short term gains in efficiency outweigh the long term implications of weakening local capacities.
Definition:	Number of parallel project implementation units (PD definitions apply)
Means of verification:	Donor self-reporting; PD survey

C6. % of ODA untied

Reference:	Paris Declaration indicator #8; G-JAS; G-HAP
Rationale:	Untying ODA in line with the OECD-DAC recommendation 2001/08 increases aid effectiveness by getting better value for money and improving country ownership and alignment.
Definition:	% of ODA that is untied (PD definitions apply)
Means of verification:	Donor self-reporting; GoG; OECD-DAC

C7. % of total ODA disbursed in support of PBAs

Reference:	Paris Declaration indicator #9; G-JAS
Rationale:	Channelling ODA based on a partner's programme, using his systems, and co-ordinating with others involved increases aid effectiveness.
Definition:	% ODA disbursed in support of programme based approaches, built on Ghanaian leadership, a single programme and budget framework, harmonisation and alignment? (PD definitions apply)
Means of verification:	Donor self-reporting; GoG; G-JAS Review 2009; PD survey

C8. Number of DP missions violating GoG silent period

Reference:	G-JAS; G-HAP; Rwanda & Mozambique DP-PAF
Rationale:	In order to concentrate its capacities on budget preparation, the GoG declares a number of weeks as mission free silent period
Definition:	Number of missions during GoG's declared silent period mid-September – mid-November in year assessed; of which agreed mission with a GoG waiver
Means of verification:	Donor self-reporting; GoG

D Predictability

Results Area	Indicator	2008 Baseline (actual)	2009 Baseline (actual)	2010 Target	2011 Target	2012 Target
D. Predictability	D1 % ODA to GoG delivered in the year for which it was scheduled (PD #7)					
	Comments on D1					
	D2 % of ODA to GoG delivered through multi-year binding agreements of at least three years.					
	Comments on D2					
	D3 Number of donors providing non-binding indication of sector specific future ODA to GoG covering at least 3 years ahead, on a rolling basis and according to GoG fiscal year.					
	Comments on D3					

Background information

D1. % ODA to GoG delivered in the year for which it was scheduled	
Reference:	Paris Declaration indicator #7; PEFA; Mozambique & Rwanda DP-PAF
Rationale:	The GoG needs to plan and to optimise allocation of resources within and across sectors. DPs facilitate such efforts by providing reliable indicative commitments of aid and disbursing aid in a timely fashion according to agreed schedules in order to arrive at in-year predictability of aid flows to the government sector.
Definition:	% ODA to the GoG disbursed in the year for which it was scheduled (PD definitions apply)
Means of verification:	Donor self-reporting; GoG

D2. % of ODA to GoG delivered through multi-year binding agreements of at least three years	
Reference:	AAA; Rwanda DP-PAF
Rationale:	Improved medium-term predictability of ODA facilitates to effectively plan and manage development resources by the GoG
Definition:	% of ODA to GoG delivered through multi-year binding agreements of at least three years
Means of verification:	Donor self-reporting; GoG

D3. Number of donors indicating sector specific future ODA to GoG covering at least 3 years ahead on a rolling basis	
Reference:	Ghana Aid Policy; AAA; Rwanda DP-PAF
Rationale:	Improved medium-term predictability of ODA facilitates to effectively plan and manage development resources by the GoG
Definition:	Number of donors providing non-binding, sector specific indications of ODA to GoG covering at least 3 years ahead, on a rolling basis and according to GoG fiscal year.

Means of verification: Donor self-reporting; GoG

E Transparency

Results Area	Indicator	2008 Baseline (actual)	2009 Baseline (actual)	2010 Target	2011 Target	2012 Target
E.Transparency	E1 Number of DPs making public their financing agreements including all conditionalities to their disbursements					
	Comments on E1					
	E2 Number of DPs having signed up to IATI (International Aid Transparency Initiative)					
	Comments on E2					

Background information

E1. Number of DPs making public financing agreements including all conditionalities

Reference:	AAA
Rationale:	Evidence based policy making tells us that imposed conditionality is largely ineffective whereas agreed conditionality based on national priorities can become a driver of reform. Making all conditionalities to disbursements public is a prerequisite for accountability and change.
Definition:	Number of DPs making public all conditionalities to their disbursements
Means of verification:	Donor self-reporting; GoG; DPs websites

E2. Number of DPs having signed up to IATI (International Aid Transparency Initiative)

Reference:	AAA; CIDA's Aid Effectiveness Action Plan
Rationale:	Transparent aid relations are key to enhance aid effectiveness and donor accountability. IATI is a child of the Accra HLF 2008 to take the AAA commitments in aid transparency forward. Signing up to IATI signals the political will to contribute and adhere to voluntary standards of transparency.
Definition:	Number of DPs having signed up to IATI (International Aid Transparency Initiative)
Means of verification:	Donor self-reporting; IATI website

F MDBS related indicators

Results Area	Indicator	2008 Baseline (actual)	2009 Baseline (actual)	2010 Target	2011 Target	2012 Target
F. MDBS implementation	F1 Full conformity of bilateral agreements with MDBS FM					
	Comments on F1					

Results Area	Indicator	2008 Baseline	2009 Baseline	2010 Target	2011 Target	2012 Target
	F2 % of BS disbursed within the first four months of the GoG fiscal year					
	Comments on F2					
	F3 % of MDBS DPs providing firm commitments for BS in year n+1 to GoG at least 4 weeks before GoG budget submission to parliament in year n					
	Comments on F3					
	F4 % of MDBS DPs adhering fully to jointly agreed GBS targets and triggers (PAF)					
	Comments on F4					

Background information

F1. Full conformity of bilateral agreements with MDBS Framework Memorandum (FM)	
Reference:	Mozambique DP-PAF
Rationale:	The MDBS FM is a non-binding but comprehensive understanding among signatories how GBS is to be delivered, thereby gaining strategic ground and reducing transaction costs. Any exceptions to that common framework should be avoided.
Definition:	Number of DPs with bilateral agreements being fully conform with the MDBS FM
Means of verification:	Donor self-reporting; GoG
F2. % of MDBS DPs providing firm commitments for BS in year n+1 to GoG at least 4 weeks before GoG budget submission to parliament in year n	
Reference	Rwanda DP-PAF
Rationale:	Predictability in the sense of firm commitments for GBS is essential for the GoG to submit a budget to parliament in time.
Definition:	% of MDBS DPs providing firm commitments for BS in year n+1 to GoG at least 4 weeks before GoG budget submission to parliament in year n
Means of verification:	Donor self-reporting; GoG; PEFA 2009
F3. % of BS disbursed within the first four months of the GoG fiscal year	
Reference:	Rwanda DP-PAF
Rationale:	Frontloading of BS disbursements reduces the need of the GoG to look for other and more costly sources of funding.
Definition:	% of BS disbursed within the first quarter of the GoG fiscal year
Means of verification:	Donor self-reporting; GoG
F4. % of MDBS DPs adhering fully to jointly agreed GBS targets and triggers (PAF)	
Reference:	AAA; Mozambique & Rwanda DP-PAF
Rationale:	Harmonising around an agreed performance assessment framework (PAF) with targets and triggers of strategic relevance strengthens the focus on results, increases the likelihood of successful reforms, and reduces transaction costs. Each departure from this limited set of common conditionality is a move in the opposite direction.
Definition:	% of MDBS DPs adhering fully to jointly agreed GBS targets and triggers (PAF)
Means of verification:	Donor self-reporting; GoG

G Partnership

Evaluation of Progress in the Development Partnership
(please, present your analysis and give concrete examples)

H1 What is your opinion regarding progress and weaknesses involved in the GoG-DP-partnership	In 2010 relative to (1) 2008/09, and (2) over the longer term (5 years, 2005/2010)
Areas of development partnership that have recorded significant improvement...	
Areas that are lagging behind and need significant improvement...	
What could have or still can be done to value progress and address the areas lagging behind (lessons for the future)	

Challenges ahead regarding the development partnership in Ghana

H2 What is your opinion about challenges for the DPs with respect to....	(1) Identification & analysis of the challenge, (2) concrete examples, (3) how to deal with it
...aid volumes and portfolio composition	
...predictability & use of national systems	
...capacity development	
...policy dialogue	
...coordination amongst donors	
...coherent ODA & trade & other policies	
...Ghana Aid Policy	
...domestic accountability of the GoG	
...domestic accountability of the DPs	
...any other challenges you may identify	

Feedback on the assessment of the DP-PAF

H3 With respect to this independent assessment of the DP-PAF, what is your opinion about...	General comments and concrete examples
Positive aspects of the assessment	
Problems with the assessment	
Suggestions about DP-PAF indicators that should be reviewed for the future	
Suggestions about DP-PAF assessment procedures that should be reviewed for the future	
Any other feedback or suggestions	

6 Baseline 2008/2009

6.1 Survey questionnaire returns and challenges

Only thirteen (13) DPs responded to the survey questionnaire, although the deadline for responses had been extended considerably. They are: Danida (Denmark), DfID (UK), USAID (USA), MCC (USA), AfDB, Switzerland, World Bank, CIDA (Canada),

Germany, AFD (France), European Union, Netherlands, and Japan. Several of the responses were incomplete and this necessitated a series of follow-up requests to plug data gaps, albeit with some limited success. Responding DPs are members of G-JAS and all but USAID and MCC are also members of the MDBS Group. There were no responses from non-traditional donors including those from the BRICK countries—Brazil, Russia, India, China and South Korea.

6.2 Baseline values for 2008/2009

6.2.1 Portfolio Assessment

(a) **Indicator A1:** % of ODA to GoG recorded in the National Budget

This indicator measures the percentage of aid disbursed by donors to the government sector that is recorded in the annual budgets for the same fiscal year. The indicator is a joint measure of two components: the degree to which donors report aid flows comprehensively to partner countries; and the degree to which GoG accurately record aid.

Table 4
Indicator A1: % of ODA to GoG recorded in the National Budget

Indicator A1	2008	2009
(1) Denmark (Danida)	100.0	64.3
(2) UK (DfID)	82.5	100.0
(3) USAID_USA	100.0	100.0
(4) MCC_USA	100.0	100.0
(5) AfDB	100.0	100.0
(6) Switzerland	100.0	86.0
(7) World Bank	100.0	100.0
(8) Canada (CIDA)	100.0	60.7
(9) Germany	91.6	100.0
(10) AFD (France)	68.6	100.0
(11) European Union	98.0	100.0
(12) Netherlands	100.0	100.0
(13) Japan	75.3	77.4
All DPs	94.4	94.5

All DPs provided data for this indicator which were crossed checked with data provided by GoG. Eight of the 13 DPs had had all their ODA flows to GoG recorded in GoG’s national budget for fiscal year 2008 compared to 9 DPs in for the 2009 fiscal year. The value for the Indicator was virtually unchanged from 2008 to 2009 at 94.4 percent and 94.5 percent, respectively.

(b) **Indicator A2:** % of ODA to GoG delivered as Budget Support

GoG's preference is that ODA flows by DPs should consist of at least 50 percent of budget support in its various forms, namely: general budget support; sector budget support; and decentralised budget support.

As a policy the USA does not provide any type of budget support to GoG. Only Denmark reported providing decentralised budget support in 2009. GBS and SBS respectively accounted for 75 percent and 25 percent of total budget support in 2008, compared to 76 percent and 23 percent in 2009.

Table 5
Indicator A2: % ODA to GoG delivered as Budget Support (BS)
(GBS=general BS; SBS=sector BS; DBS=decentralised BS)

Indicator A2	2008			2008	2009			2009
	GBS	SBS	DBS	Total BS	GBS	SBS	DBS	Total BS
(1) Denmark (Danida)	18.1	18.3	0.0	36.4	30.0	36.5	28.5	95.1
(2) UK (DfID)	63.5	23.6	0.0	87.2	48.7	24.8	0.0	73.5
(3) USAID_USA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(4) MCC_USA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(5) AfDB	50.0	0.0	0.0	50.0	44.8	0.0	0.0	44.8
(6) Switzerland	100.0	0.0	0.0	100.0	97.7	0.0	0.0	97.7
(7) World Bank	35.6	9.1	0.0	44.7	61.8	10.2	0.0	72.0
(8) Canada (CIDA)	25.6	29.0	0.0	54.6	41.1	57.4	0.0	98.4
(9) Germany	18.6	4.1	0.0	22.7	28.1	0.0	0.0	28.1
(10) AFD (France)	78.3	0.0	0.0	78.3	15.4	1.7	0.0	17.1
(11) European Union	28.3	1.3	0.0	29.6	62.2	1.3	0.0	63.4
(12) Netherlands	28.7	25.2	0.0	53.9	18.4	18.4	0.0	36.8
(13) Japan	14.3	0.0	0.0	14.3	14.7	0.0	0.0	14.7
All DPs	35.1	11.7	0.0	46.8	37.7	11.2	0.9	49.7
All DPs excl. USA	37.6	12.5	0.0	50.1	41.8	12.5	1.0	55.3

Across all DPs 46.8 percent of ODA flows to GoG was delivered as budget support in 2008 compared to 49.7 percent in 2009. The indicator values, excluding the USA were 50.1 percent and 55.3 percent in 2008 and 2009, respectively.

(c) **Indicator A3:** (Average) number of sectors of intervention per DP

As indicated in the 2008 Review of DPs Division of Labour in Ghana, the G-JAS Review 2009, and the Draft Ghana Aid Policy, a deliberate division of labour (regarding sectors of engagement) among DPs increases greater efficiency and effectiveness in aid delivery and reduces transaction costs. Indicator A3 is thus intended to measure the extent to which some optimum division of labour is achieved. It is calculated as the number of sectors of invention per DP minus number of signed silent partnerships or delegated cooperation agreements per DP.

Table 6
Indicator A3: (Average) number of sectors of intervention per DP

Indicator A3	2008	2009
(1) Denmark (Danida)	4	4
(2) UK (DfID)	7	7
(3) USAID_USA	3	5
(4) MCC_USA	4	4
(5) AfDB	10	10
(6) Switzerland	1	1
(7) World Bank	9	10
(8) Canada (CIDA)	3	3
(9) Germany	0	0
(10) AFD (France)	3	3
(11) European Union	9	9
(12) Netherlands	3	3
(13) Japan	9	8
All DPs (average)	5	5

The average number of sectors of intervention per DP for both 2008 and 2009 is 5. For both years the numbers of sectors of engagement by 8 out of the 13 reporting DPs were below the average while for five DPs—UK, AfDB, World Bank, Netherlands, and Japan—number was above the average.

6.2.2 Harmonisation

(a) **Indicator B1:** % of total DP missions that is held jointly

Increasing the share of joint missions and reducing separate, duplicative missions is expected to reduce transaction costs of aid delivery to recipient partner countries. This indicator measures the extent to which aspect of aid delivery has taken place. As Table 7 shows, only 10 out of the 13 reporting DPs provided information for this indicator.

Table 7
Indicator B1: % of total DP missions that is held jointly

Indicator B1	2008	2009
(1) Denmark (Danida)	14.3	12.5
(2) UK (DfID)	100.0	80.0
(3) USAID_USA		
(4) MCC_USA	100.0	0.0
(5) AfDB	0.0	22.2
(6) Switzerland	77.8	7.1
(7) World Bank	70.5	70.5
(8) Canada (CIDA)	70.0	62.1
(9) Germany		
(10) AFD (France)	16.7	20.0
(11) European Union		
(12) Netherlands	50.0	50.0
(13) Japan	0.0	0.0

All Reporting DPs only	49.9	32.4
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Of the 10 reporting DPs only AfDB and France reported an improvement from 2008 to 2009, while Netherlands, Japan, and World Bank maintained the same scores for 2008 and 2009. The scores for Denmark, UK, MCC (USA), Switzerland and Canada slipped from 2008 to 2009. The overall indicator value for the 10 reporting DPs declined from nearly 50 percent in 2008 to 32.4 percent in 2009.

(b) **Indicator B2:** % of donor analytic work that is coordinated

Joint diagnostic reviews by DPs strengthen the ground for shared analysis and reduce the transaction costs of aid delivery. Indicator B2 measures the extent to which joint reviews have taken place.

As shown in Table 8, only 6 out of the 13 reporting DPs provided data for the calculation of this indicator for 2008. For 2009 the number of such DPs was 7, the additional DP being the EU. The overall indicator score for the reporting DPs declined from 64.2 percent in 2008 to 60 percent in 2009.

Table 8
Indicator B2: % of DP analytic works that is coordinated

Indicator B2	2008	2009
(1) Denmark (Danida)		
(2) UK (DfID)	100.0	100.0
(3) USAID_USA		
(4) MCC_USA		
(5) AfDB	0.0	0.0
(6) Switzerland		
(7) World Bank	25.0	80.0
(8) Canada (CIDA)	100.0	80.0
(9) Germany		
(10) AFD (France)		
(11) European Union		100.0
(12) Netherlands	60.0	60.0
(13) Japan	100.0	0.0
All Reporting DPs only	64.2	60.0

(c) **Indicator B3:** % of TC provided through coordinated programmes consistent with national priorities

Capacity development—human, organisational and broader institutional capacity—is the responsibility of partner countries with DPs playing a supportive role. The effectiveness of technical cooperation can be enhanced through coordinated programmes among DPs that are aligned to national efforts under GoG leadership. Indicator B3 is intended to measure the extent to which such coordinated efforts have taken place among DPs.

Only 4 DPs responded to this indicator for 2008 and 6 DPs for 2009. For the responding DPs the overall indicator value improved from 72.2 percent in 2008 to 81.5 percent in 2009.

Table 9
Indicator B3: % of Technical Cooperation provided through Coordinated programmes consistent with national priorities

Indicator B3	2008	2009
(1) Denmark (Danida)		
(2) UK (DfID)	100.0	100.0
(3) USAID_USA		
(4) MCC_USA		
(5) AfDB		100.0
(6) Switzerland	88.9	88.9
(7) World Bank		
(8) Canada (CIDA)		100.0
(9) Germany		
(10) AFD (France)		
(11) European Union		
(12) Netherlands	0.0	0.0
(13) Japan	100.0	100.0
All Reporting DPs only	72.2	81.5

6.2.3 Alignment

(a) **Indicator C1: % of ODA to GoG disbursed using GoG PFM procedures**

The Paris Declaration encourages 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. When providing ODA to the government sector, the use of the GoG public financial management (PFM) systems strengthens the GoG’s capacity to develop, implement and account for its policies to both its citizens and parliament.

Indicator C1 measures the extent to which donors use partner country PFM systems when providing funding to the government sector. It measures the volume of aid that uses GoG’s PFM systems (budget execution, financial reporting, and auditing) as a percent of total aid disbursed to the government sector.

Eleven out of the 13 reporting DPs provided data for calculation of this indicator—Germany and the World Bank did not provide sufficient information. Both USA institutions did not use GoG’s systems for both years. The 2008 scores for AfDB, Japan, and the EU were below 50 percent. Only Japan recorded a score below 50 percent in 2009. The composite indicator scores for reporting DPs were 66.8 percent and 60.6 percent, respectively for 2008 and 2009. The corresponding 2008 and 2009 scores excluding the two USA institutions which did not make use of GoG’s PFM systems were, respectively, 73.8 percent and 69.6 percent.

Table 10
Indicator C1: % of ODA to GoG disbursed using GoG's PFM procedures

Indicator C1	2008	2008	2008	2008	2009	2009	2009	2009
	Budgeting	Financial Reporting	Auditing	All Three	Budgeting	Financial Reporting	Auditing	All Three
(1) Denmark (Danida)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
(2) UK (DfID)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
(3) USAID_USA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(4) MCC_USA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(5) AfDB	48.9	48.9	48.9	48.9	85.9	85.9	85.9	85.9
(6) Switzerland	93.3	93.3	93.3	93.3	85.9	85.9	85.9	85.9
(7) World Bank								
(8) Canada (CIDA)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
(9) Germany								
(10) AFD (France)	78.2	78.2	78.2	78.2	17.1	17.1	17.1	17.1
(11) European Union	27.5	27.5	27.5	27.5	59.6	59.6	59.6	59.6
(12) Netherlands	85.0	85.0	85.0	85.0	80.0	80.0	80.0	80.0
(13) Japan	14.3	14.3	14.3	14.3	14.7	14.7	14.7	14.7
Reporting DPs only	66.8	66.8	66.8	66.8	60.6	60.6	60.6	60.6
Reporting DPs excl USA	73.8	73.8	73.8	73.8	69.6	69.6	69.6	69.6

(b) **Indicator C2: % of ODA to GoG disbursed using GoG Procurement systems**

When providing ODA to the government sector, the use of the GoG procurement systems strengthens the GoG's capacity to develop, implement and account for its procurement policies to its citizens, parliament and other stakeholders. Indicator C2 measures the volume of aid, as a percent of total aid disbursed to the government sector that uses GoG's procurement systems.

As in the case with the PFM systems (Indicator C1), 11 out the 13 reporting DPs provided data for calculation of this indicator—Germany and the World Bank did not provide sufficient information. Again, Japan, AfDB and the EU registered scores below 50 percent for 2008; for 2009 only Japan recorded an indicator score below 50 percent. The composite scores for all reporting DPs improved from 68 percent in 2008 to 77 percent in 2009. The scores excluding the USA institutions were 75 percent in 2008 and 84 percent in 2009.

Table 11
Indicator C2: % of ODA to GoG disbursed using GoG's Procurement systems

Indicator C2	2008	2009
(1) Denmark (Danida)	100.0	100.0
(2) UK (DfID)	100.0	100.0
(3) USAID_USA	0.0	72.7
(4) MCC_USA	0.0	0.0

(5) AfDB	48.9	85.9
(6) Switzerland	93.3	85.9
(7) World Bank		
(8) Canada (CIDA)	100.0	100.0
(9) Germany		
(10) AFD (France)	100.0	100.0
(11) European Union	27.5	59.6
(12) Netherlands	85.0	80.0
(13) Japan	14.2	15.7
Reporting DPs only	67.7	76.9
Reporting DPs excl USA	74.8	84.3

(c) **Indicator C3:** Number of DPs making use of GoG's M&E capacities

In order to strengthen national capacities to manage public resources for results, donors are supposed to use country M&E systems.

Table 12
Indicator C3: Number of DPs making use of GoG's M&E capacities

Indicator C3	2008	2009
(1) Denmark (Danida)	yes	yes
(2) UK (DfID)	yes	yes
(3) USAID_USA	no	no
(4) MCC_USA	yes	yes
(5) AfDB	yes	yes
(6) Switzerland	yes	yes
(7) World Bank	yes	yes
(8) Canada (CIDA)	yes	yes
(9) Germany		
(10) AFD (France)	yes	yes
(11) European Union	yes	yes
(12) Netherlands	yes	yes
(13) Japan	yes	yes
% of DPs reporting "yes"	84.6	84.6

Germany did not provide data for this indicator. Of the 12 reporting DPs USAID (USA) did not make use of GoG's M&E capacities in both 2008 and 2009. The indicator score for reporting DPs—calculated as the percent of DPs returning a “yes” was 84.6 percent for both years.

(d) **Indicator C4:** Number of DPs providing official explanation to GoG for not using GoG's PFM, Procurement and M&E systems

In order to strengthen national capacities to manage public resources, donors are supposed to use country systems as their first option. Donors agreed to transparently state why they rely on aid delivery outside the country systems when they support activities managed by the public sector. This transparency is an incentive to GoG to improve its systems and procedures.

Table 13

Indicator C4: # of DPs providing official explanation to GoG for not using GoG's PFM, Procurement and M&E systems

Indicator C4	2008	2009
(1) Denmark (Danida)	NA	NA
(2) UK (DfID)	NA	NA
(3) USAID_USA	yes	yes
(4) MCC_USA	yes	NR
(5) AfDB	NA	yes
(6) Switzerland (SECO)	NA	NA
(7) World Bank	NR	NR
(8) Canada (CIDA)	NA	NA
(9) Germany (Embassy)	NR	NR
(10) AFD (France)	yes	yes
(11) European Union	yes	yes
(12) Netherlands	NA	NA
(13) Japan	yes	yes
# of DPs reporting "yes"	5.0	5.0

NA indicates not applicable: DP used GoG's systems

NR indicates no response from DP

For 2008 there was no response from the World Bank and Germany; the indicator did not apply to 6 DPs who used GoG's systems. For the 5 DPs who did not make full use of GoG's systems all provided and shared their reasons with the GoG.

In the case of 2009, MCC (USA) joined the World Bank and Germany in the non-respondents group; AfDB joined the list of DPs which did not make full use of GoG's systems. The indicator did not apply to 5 DPs who used GoG's systems. As in 2008, the 5 DPs who did not make full use of GoG's systems all provided and shared their reasons with the GoG.

(e) **Indicator C5: Number of parallel PIUs by DP**

When providing development assistance, some donors establish specific project implementation units (PIUs), *i.e.* dedicated management units designed to support development projects or programmes. A PIU is said to be "parallel" when it is created at the behest of the donor and operates outside existing country institutional and administrative structures.

Parallel project implementations units (PIUs) by DPs undermine progress towards strengthening local capacity for planning, implementation, and accountability. 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 building efforts, distort salaries and weaken accountability for development.

Table 14
Indicator C5: Number of parallel PIUs by DP

Indicator C5	2008	2009
(1) Denmark (Danida)	0	0
(2) UK (DfID)	0	0
(3) USAID_USA	0	0
(4) MCC_USA	0	0
(5) AfDB	15	15
(6) Switzerland (SECO)	0	0
(7) World Bank	0	0
(8) Canada (CIDA)	0	1
(9) Germany (Embassy)	2	2
(10) AFD (France)	2	2
(11) European Union	0	0
(12) Netherlands	0	0
(13) Japan	0	0
All DPs	19	20

Indicator 6 is a count of the number of parallel PIUs being used in partner countries such as Ghana. Only 3 DPs reported having established parallel PIUs in 2008 and 4 in 2009. The total number of such PIUs increased from 19 in 2008 to 20 in 2009 with the AFDP accounting for 79 percent and 75 percent, respectively, of the total for the two years.

(f) **Indicator C6: % of ODA to GoG untied**

Aid is said to be “tied” when it is provided on the condition that the recipient country will use it to purchase goods and services from suppliers based in the donor country. Experience shows that aid with such conditions attached increases the costs of goods and services provided to partner countries; it also increases the administrative burdens on both donors and partners. By contrast, untied aid helps build a country’s capacity to provide goods and services and increases aid effectiveness by getting better value for money and improving country ownership and alignment

Table 15
Indicator C6: % of ODA to GoG that is untied

Indicator C6	2008	2009
(1) Denmark (Danida)	76.7	97.1
(2) UK (DfID)	100.0	100.0
(3) USAID_USA		
(4) MCC_USA	100.0	100.0
(5) AfDB	100.0	100.0
(6) Switzerland (SECO)	100.0	100.0
(7) World Bank	100.0	100.0
(8) Canada (CIDA)	100.0	100.0
(9) Germany (Embassy)	81.4	
(10) AFD (France)	100.0	100.0

(11) European Union	100.0	100.0
(12) Netherlands	100.0	100.0
(13) Japan	95.0	95.0
All Reporting DPs only	97.3	99.7

USAID (USA) did not report data on this indicator for both 2008 and 2009; Germany provided 2008 information but not for 2009. Of the reporting DPs the data indicates that nearly 97.3 percent of aid was untied in 2008, improving to 99.7 percent in 2009.

(g) **Indicator C7: %of ODA disbursed to GoG in support of PBAs**

Channelling ODA based on GoG's programmes, using GoG systems, and co-ordinating with other DPs increases aid effectiveness..

In practice, there are many different modalities for implementing PBAs, which operate at various levels. At one level, the GoG is responsible for defining clear, country-owned programmes (e.g. sector policy) and establishing a single budget framework that captures all resources (both domestic and external). At the second level, donors are responsible for taking steps to use local systems for programme design and implementation, financial management, monitoring and evaluation. Finally, GoG and donors are jointly responsible for donor coordination and harmonisation of donor procedures.

Table 16
Indicator C7: % of ODA to GoG disbursed in support of PBAs

Indicator C7	2008	2009
(1) Denmark (Danida)	36.4	95.1
(2) UK (DfID)	87.2	73.5
(3) USAID_USA	0.0	0.0
(4) MCC_USA	0.0	0.0
(5) AfDB	50.0	44.8
(6) Switzerland (SECO)	100.0	97.7
(7) World Bank	44.7	72.0
(8) Canada (CIDA)	54.6	98.4
(9) Germany (Embassy)	22.7	28.1
(10) AFD (France)	78.3	17.1
(11) European Union	29.6	63.4
(12) Netherlands	53.9	36.8
(13) Japan	14.3	14.7
All DPs	75.5	65.9
All DPs excluding USA	80.8	73.2

Indicator C7 assesses the degree to which donors work together by measuring the proportion of total ODA disbursed in support of programme based approaches (PBAs), built on Ghanaian leadership, a single programme of work and budget framework.

The two USA institutions did not provide aid in support of PBAs in both years. In 2008, six DPs provided 50 percent or more of their ODA in support of PBAs, while five DPs channelled less than 50 percent of ODA flows for that purpose. The same trend emerged in 2009.

Overall, across all reporting DPs, 75.5 percent of ODA flows supported PBAs in 2008 compared to 65.9 percent in 2009. The proportion of ODA flows in of support of PBAs for all DPs excluding USA also declined from 808 percent in 2008 to 73.2 percent in 2009. The decline in 2009 is mainly attributable to France who proportion went down drastically from 78.3 percent in 2008 to 17.1 percent in 2009.

(h) **Indicator C8:** Number of DPs violating GoG’s mission-free silent period

In order to concentrate its capacities on budget preparation, execution, implementation and evaluation, the GoG declares a number of weeks—mid-September to mid-November of each year—as mission-free silent period for DPs. Any DP desirous of undertaken a mission during this declared mission-free break must seek and be granted a GoG waiver.

Table 17
Indicator C8: # of DP missions violating GoG mission-free silent period

Indicator C8	2008	2009
(1) Denmark (Danida)	0	0
(2) UK (DfID)		0
(3) USAID_USA	0	0
(4) MCC_USA	0	0
(5) AfDB	0	0
(6) Switzerland (SECO)	0	0
(7) World Bank	0	0
(8) Canada (CIDA)		3
(9) Germany (Embassy)	0	0
(10) AFD (France)	0	0
(11) European Union	0	0
(12) Netherlands	1	0
(13) Japan	1	1
All DPs	2	4

The World Bank and Canada did not provide information on this indicator in 2008, a year where to 2 DP missions occurred during the mission-free period. The number of missions that violated the mission-free period increased to 4 in 2009.

6.2.4 Predictability

(a) **Indicator D1:** % of ODA to GoG delivered in the year for which it was scheduled

GoG needs to plan and to optimise allocation of resources within and across sectors. DPs facilitate such efforts by providing reliable indicative commitments of aid and

disbursing aid in a timely fashion according to agreed schedules in order to arrive at in-year predictability of aid flows to the government sector.

Indicator D1 is a measure of predictability in DPs aid flows to GoG and it is calculated as the percent of ODA to delivered GoG in the year for which it was promised. The final figure highlights any discrepancy between DPs estimates of scheduled aid and actual disbursements to GoG. The discrepancy (or gap) can be in either direction: scheduled aid estimates can be higher or lower than disbursements by donors. In order to have a single measure of discrepancy under 100%, the ratio is inverted when scheduled aid estimates are higher than donor disbursements.

The data show that an impressive 97.1 percent of ODA disbursed to GoG was accurately predicted and recorded in the GoG budget for 2008. The predictability ratio, however, dropped to 90.5 percent in 2009.

Table 18
Indicator D1: % of ODA to GoG delivered in the year for which it scheduled

Indicator D1	2008 Scheduled aid (US\$m)	2008 Actual Disbursed (US\$m)	2009 Scheduled aid (US\$m)	2009 Actual Disbursed (US\$m)	2008 Ratio* (%)	2009 Ratio* (%)
	a	b	a	b	c=a/b	c=a/b
(1) Denmark (Danida)	44.1	65.6	62.3	39.4	67.2	63.3
(2) UK (DfID)	131.3	139.6	128.7	144.2	94.1	89.2
(3) USAID_USA	102.6	45.1	51.0	48.2	44.0	94.4
(4) MCC_USA	25.1	25.1	81.5	81.5	100.0	100.0
(5) AfDB	45.6	91.3	151.9	107.9	50.0	71.0
(6) Switzerland	12.0	8.2	11.2	8.8	67.9	78.7
(7) World Bank	281.9	275.3	266.1	244.5	97.7	91.9
(8) Canada (CIDA)	40.7	64.4	58.4	59.1	63.1	98.8
(9) Germany	54.9	63.0	46.2	48.0	87.2	96.2
(10) AFD (France)	45.6	30.9	55.7	155.2	67.8	35.9
(11) European Union	89.3	111.8	91.8	164.6	79.9	55.8
(12) Netherlands	142.8	134.0	138.9	175.2	93.8	79.2
(13) Japan	31.1	23.6	34.0	24.1	75.9	70.7
Average DP Ratio					76.0	78.9
Total of all DPs	1047.1	1077.9	1177.6	1300.8	97.1	90.5

Ratio is **c=a/b** except where scheduled aid exceeds actual disbursements then **c=b/a**

The impressive aggregate measure for the in the indicator, however, masks the fact that for each DP the average predictability ratio was below 80 percent: 76 percent in 2008; and 79 percent in 2009.

The slippage at the aggregate level and modest progress at the individual donor level from 2008 to 2009 can be attributed, at least in part, to problems of information flow to the government and of donor reporting.

The impressive aggregate measure for the in the indicator, however, masks the fact that for each DP the average predictability ratio was below 80 percent: 76 percent in 2008; and 79 percent in 2009.

- (b) **Indicator D2:** % of ODA to GoG delivered through multi-year binding agreements of at least 3 years

Improved medium-term predictability of ODA flows helps GoG to effectively plan and manage development resources for better development outcomes. Indicator D2 measures the extent to which GoG can rely of ODA flows from DPs for effectively medium-term budgeting and planning.

Table 19
Indicator D2: % of ODA to GoG delivered through multi-year binding Arrangements of at least 3 years

Indicator D2	2008	2009
(1) Denmark (Danida)	100.0	100.0
(2) UK (DfID)	87.5	28.1
(3) USAID_USA	0.0	0.0
(4) MCC_USA	100.0	100.0
(5) AfDB	100.0	100.0
(6) Switzerland		96.5
(7) World Bank		
(8) Canada (CIDA)	78.2	100.0
(9) Germany		
(10) AFD (France)	100.0	100.0
(11) European Union	100.0	100.0
(12) Netherlands	95.0	95.0
(13) Japan	0.0	0.0
All Reporting DPs only	58.6	64.0

Three DPs—Switzerland, World Bank and Germany—did not provide data for this indicator in 2008. For 2009, the World Bank and Germany again did not provide the information required.

Of the reporting DPs, Japan did not deliver any ODA to GoG through multi-year binding arrangements of at least three years. Proportion of UK's ODA delivered through such arrangements declined form 88 percent in 2008 to only 28 percent in 2009, while in the case of Canada the proportion improved from 78 percent to 100 percent. The aggregate ratio for the responding DPs also improved from 59 percent in 2008 to 64 percent in 2009.

- (c) **Indicator D3:** % of ODA to GoG delivered through non-binding indication of sector-specific future ODA to GoG covering at least 3 years ahead, on rolling basis according to GoG's fiscal year

By providing non-binding, sector-specific indications of ODA to GoG covering at least 3 years ahead, on a rolling basis and according to GoG fiscal year, DPs make it easy

for GoG to effectively plan and manage development resources for better end more effective development results and outcomes.

Indicator D3 is measure of the number of DPs making such non-binding sector-specific commitments of ODA flows to GoG.

Table 20

Indicator D3: # of DPs providing non-binding indication of sector-specific future ODA to GoG covering at least 3 years ahead, on rolling basis according to GoG’s fiscal year

Indicator D3	2008	2009
(1) Denmark (Danida)	yes	yes
(2) UK (DfID)	yes	yes
(3) USAID_USA	no	no
(4) MCC_USA	no	no
(5) AfDB	yes	yes
(6) Switzerland	NR	no
(7) World Bank	yes	yes
(8) Canada (CIDA)	yes	yes
(9) Germany	NR	NR
(10) AFD (France)	no	no
(11) European Union	yes	yes
(12) Netherlands	yes	yes
(13) Japan	yes	yes
% of DPs reporting "yes"	61.5	61.5

“NR” indicates no response

Switzerland and Germany did not respond to this indicator in 2008; Germany again did respond in 2009. For both 2008 and 2009, almost 62 percent of DPs (including non-respondents) provided non-binding indication of sector-specific future ODA to GoG covering at least 3 years ahead, on rolling basis, and according to GoG’s fiscal year.

6.2.5 Transparency

(a) **Indicator E1:** Number of DPs making public their financing arrangements including all conditionalities attached to their disbursements

Evidence-based policy making indicates that imposed conditionality is largely ineffective whereas mutually agreed conditionality based on national priorities can become a driver effective and sustainable reform. Making all conditionalities to disbursements public is a prerequisite for accountability and positive change.

Both for 2008 and 2009, only 9 out of the 13 DPs surveyed—an average of 69.2 percent—made public their financial arrangements including all conditionalities attached to their ODA disbursements to GoG.

USAID (USA) indicated that the information sought was not applicable to them, whereas Switzerland, Canada, the Netherlands returned a “no” answer, indicating

that they did not make public their financial arrangements including all conditionalities attached to their ODA disbursements to GoG.

Table 21

Indicator E1: # of DPs making public their financial arrangements
Including all conditionalities attached to their disbursements

Indicator E1	2008	2009
(1) Denmark (Danida)	yes	yes
(2) UK (DfID)	yes	yes
(3) USAID_USA	NA	NA
(4) MCC_USA	yes	yes
(5) AfDB	yes	yes
(6) Switzerland	no	no
(7) World Bank	yes	yes
(8) Canada (CIDA)	no	no
(9) Germany	yes	yes
(10) AFD (France)	yes	yes
(11) European Union	yes	yes
(12) Netherlands	no	no
(13) Japan	yes	yes
% of DPs reporting "yes"	69.2	69.2

(b) **Indicator E2: Number of DPs that have signed up to the International Aid Transparency Initiative (IATI)**

Transparent aid relations are key to enhancing aid effectiveness and donor accountability. IATI is a product of the Accra HLF 2008 to take the AAA commitments in aid transparency forward. Signing up to IATI signals the political will to contribute and adhere to voluntary standards of transparency.

IATI is temporary coalition of DP governments, governments of developing countries and NGOs agree with the IATI Accra Statement and pledged to working together to implement the AAA commitments on aid transparency, which say that:

- Donors will publicly disclose regular, detailed and timely information on: volume, allocation, and results of development expenditure, when available to enable more accurate budget, accounting, and audit by developing countries;
- Donors and developing countries will regularly make public all conditionalities linked to disbursements;
- Donors will provide full and timely information on annual commitments and actual disbursements so that developing countries are in a position to accurately record all aid flows in their budget estimates and their accounting systems;
- Donors will provide developing countries with regular and timely information on their rolling three-to-five-year forward expenditure and/or implementation plans, with at least indicative resource allocations that developing countries

can integrate in their medium-term planning and macroeconomic frameworks. Donors will address any constraints to providing such information.

Table 22
Indicator E2: # of DPs that have signed up to the International Aid Transparency Initiative (IATI)

Indicator E2	2008	2009
(1) Denmark (Danida)	yes	yes
(2) UK (DfID)	yes	yes
(3) USAID_USA	no	no
(4) MCC_USA	no	no
(5) AfDB	no	No
(6) Switzerland	yes	yes
(7) World Bank	yes	yes
(8) Canada (CIDA)	no	no
(9) Germany	yes	yes
(10) AFD (France)	no	no
(11) European Union	yes	yes
(12) Netherlands	yes	yes
(13) Japan	no	no
% of DPs reporting "yes"	53.8	53.8

Only 7 out of the 13 responding DPs—or just about 54 percent—reported having signed up to the IATI in both 2008 and 2009. USAID (USA), MCC (USA), AfDB, Canada, France, and Japan are included in the list that are yet to sign up to aid transparency initiative.

6.2.6 MDBS-Related Indicators

a) **Indicator F1: Number of DPs with Bilateral Agreements that are in Full Conformity with MDBS Framework Memorandum (MDBS-FM)**

The MDBS-FM is a non-binding but comprehensive understanding among signatories on how general budget support to be delivered by DPs to GoG, thereby gaining strategic ground and reducing transaction costs. Any exceptions to this common framework should be avoided for the Arrangement to function effectively.

Indicator F1 provides information on DPs whose bilateral arrangements with the GoG are not in consonance with the MDBS-FM, with a view to encouraging those DPs rectify such anomalies.

Table 23
Indicator F1: Number of DPs with Bilateral Agreements that are in Full Conformity with MDBS Framework Memorandum

Indicator F1	2008	2009
(1) Denmark (Danida)	yes	yes
(2) UK (DfID)	NR	NR
(3) AfDB	yes	yes

(4) Switzerland	yes	yes
(5) World Bank	yes	no
(6) Canada (CIDA)	yes	yes
(7) Germany	yes	yes
(8) AFD (France)	yes	yes
(9) European Union	no	no
(10) Netherlands	yes	yes
(11) Japan	yes	yes
% of MDBS DPs reporting "yes"	81.8	72.7

The number of DPs with Bilateral Agreements that are in full conformity with the MDBS Framework Memorandum dropped from 9 in 2008 to 8 in 2009, corresponding to 82 percent and 73 percent of MDBS DPs, respectively. The UK did not provide information for this indicator in both years, whilst the World Bank's "bilateral arrangement" was in full conformity with the MDBS-FM in 2008 but not in 2009.

b) Indicator F2: % of Budget Support Disbursed within the first 4 months of the GoG Fiscal Year

Frontloading of general budget support disbursements reduces the GoG's need to look for other and more costly sources of funding, while also offering the GoG greater flexibility in implementing the budget and associated programmes.

Indicator F2, the percent of general budget support disbursed within the first 4 months of the GoG fiscal year is an proxy measure for this frontloading.

The value of the indicator declined from 44 percent in 2008 to 31 percent in 2009 mainly on account of a drop in Canada's measure from 94 percent to 62 percent. Five DPs—AfDB, Switzerland, World Bank and the EU—did not frontload their MDBS disbursements in both years. Denmark, Netherlands and Japan completely (100 percent) frontloaded their MDBS disbursements in both 2008 and 2009; UK's indicator improved from 94 percent in 2008 to 100 percent in 2009; while that of France also went up from 50 percent to 77 percent.

Table 24
Indicator F2: % of Budget Support Disbursed within the first 4 months of the GoG Fiscal Year

Indicator F2	2008	2009
(1) Denmark (Danida)	100.0	100.0
(2) UK (DfID)	93.9	100.0
(3) AfDB	0.0	0.0
(4) Switzerland	0.0	0.0
(5) World Bank	0.0	0.0
(6) Canada (CIDA)	93.5	61.5
(7) Germany	0.0	0.0
(8) AFD (France)	50.0	77.1
(9) European Union	0.0	0.0
(10) Netherlands	100.0	100.0
(11) Japan	100.0	100.0
All MDBS DPs	43.5	30.9

- c) **Indicator F3:** % of MDBS DPS providing firm commitments for Budget Support in year “*n+1*” to GoG at least 4 weeks before the GoG Budget Submission to Parliament in year “*n*”

Predictability—in the sense of firm commitments for general budget support—is essential for the GoG to submit a budget to parliament in time with a greater degree of accuracy in its estimate of resources.

Indicator F3—percent of MDBS DPS providing firm commitments for Budget Support in year “*n+1*” to GoG at least 4 weeks before the GoG Budget Submission to Parliament in year “*n*”—is a measure of this predictability in dicator.

In 2008, three MDBS DPs, namely AfDB, EU and Japan report “no” for this indicator; while the EU and Japan gave the same response in 2009. As result the percent MDBS DPs providing such firm commitments for general budget support increased from 64 percent in 2008 to 73 percent in 2009.

Table 25

Indicator F3: % of MDBS DPS providing firm commitments for Budget Support in year “*n+1*” to GoG at least 4 weeks before the GoG Budget Submission to Parliament in year “*n*”

Indicator F3	2008	2009
(1) Denmark (Danida)	yes	yes
(2) UK (DfID)	yes	yes
(3) AfDB	no	yes
(4) Switzerland	yes	yes
(5) World Bank	yes	yes
(6) Canada (CIDA)	yes	yes
(7) Germany	yes	yes
(8) AFD (France)	yes	yes
(9) European Union	no	no
(10) Netherlands	yes	yes
(11) Japan	no	no
% of MDBS DPs reporting "yes"	63.6	72.7

- d) **Indicator F4:** % of MDBS DPS adhering fully to jointly agreed General Budget Support targets and triggers

Harmonising around a common agreed performance assessment framework (PAF) with targets and triggers of strategic relevance strengthens the focus on results, increases the likelihood of successful reforms, and reduces transaction costs. Each departure from this limited set of commonly agreed conditionalities is a move in the opposite direction that increases the chances of failure in attaining developmental objectives.

Indicator F4: % of MDBS DPs adhering fully to jointly agreed General Budget Support targets and triggers

Indicator F4	2008	2009
(1) Denmark (Danida)	yes	yes
(2) UK (DfID)	yes	yes
(3) AfDB	yes	yes
(4) Switzerland	yes	yes
(5) World Bank	yes	no
(6) Canada (CIDA)	yes	yes
(7) Germany	yes	yes
(8) AFD (France)	yes	yes
(9) European Union	yes	yes
(10) Netherlands	yes	yes
(11) Japan	yes	yes
% of MDBS DPs reporting "yes"	100.0	90.9

Indicator F4 measures the extent to which MDBS DPs disburse general budget support based, in large measure, on jointly agreed GBS targets and triggers in MDBS-PAF.

In 2008 all MDBS DPs answered “yes” to this indicator, whereas in 2009 all but the World Bank answered in the affirmative. Consequently, the value for Indicator F4—percent of MDBS DPS adhering fully to jointly agreed General Budget Support targets and triggers—declined from 100 percent in 2008 to 91 percent in 2009.

6.3 Partnership

Five DPs—AfDB, Netherlands, Japan, France and Canada—provided information on the qualitative aspects of the GoG-DP aid partnership (section G of the DP-PAF). The following are summaries of opinions from these five DPs.

6.3.1 Indicator G1: DPs’ opinion regarding progress and weaknesses involved in the GoG-DP-partnership

- *Areas of development partnership that have recorded significant improvement*

The MDBS Arrangement has evolved well as a platform for dialogue. As a result of the MDBS, alignment of DP support including ODA allocation in support of PBAs is on the increase. Resource flows have become more predictable, aid delivery transaction costs for GoG have decreased as well as conditionalities linked to aid disbursements.

The open discussions on the outstanding audit reports and the fiscal deficits during the 2010 MDBS review was very welcome especially on measures that GOG had put in place to ensure these do not occur in the future. Other areas that have shown

improvements include PFM reforms; procurement and anticorruption measures. Engagement with Parliament and non-state actors such as CSOs and the media has also deepened, and it is reflected in greater openness to dialogue, transparency, and information sharing with these stakeholders.

- *Areas that are lagging behind and needing significant improvement*

The whole idea of the DP-PAF was to get the BRICKS involved in the exercise; however this has not been the case. Without the non-involvement of the BRICKs in the DP-PAF, it makes this exercise a repetition of the ongoing reviews of the Paris Declaration and the G-JAS.

Sectoral dialogue is still uneven and cross-cutting and emerging issues risk falling between the cracks. There is limited GoG ownership of aid effectiveness agenda. Progress on division of labour has stalled and the Consultative Group has lost direction.

Dialogue between the GoG and DP has improved especially since the MDBS retreat and MDBS High-level Meeting; however the improvement seems to be taken place in particular ministries not all of them. Some of the MDAs have not adequately caught up the challenges in GoG's aid coordination efforts —some officials do not even acknowledge the issues around the aid coordination efforts. More balanced and consistent approach toward aid coordination across the ministries is needed.

GoG ownership and strategic piloting of the development agenda is still weak. The long-term strategic plan—the Medium-Term Development Plan (MTDP)—is still pending; and the process involved in its production has not been transparent. National M&E systems and statistics are particularly weak and unreliable. DPs have also difficulty in getting official documents (policies, strategies, audit) formally approved by the GoG.

GoG continues to solicit project funding for basic activities like elections and census-taking despite receiving significant budget support.

- *Suggestions on how to address the areas lagging behind*

Better coordination of project implementation and follow-up with counterpart government office. Timely discussion of problems in Implementation, if any; awareness creation and capacity building of CSOs about the PAF process and improve coordination of their engagement. Continued reforms with a view to improving service delivery.

Work more towards PBAs and strengthening sectoral dialogue. Focus should be on sectors rather than at the centre. Continue efforts to increase holistic assessments and to address cross-cutting issues.

Looking at Ghana's future architecture with the oil revenue, it becomes more critical to strengthen the each MDAs rather than heavily relied on the MoFEP.

6.3.2 *Indicator G2: DPs' opinion about challenges for the DPs with respect to....*

- *Aid volumes and portfolio composition*

Aid volumes are usually discussed at HQ levels. Portfolio composition should be addressed as part of the wider debate on division of labour, which however seems to focus too much on numerical aspects (“number of sectors”) rather than qualitative aspects (“type of interventions”).

Aid volumes and modalities need to be reconsidered in light of oil revenues and new GDP estimates. GoG also needs better systems for monitoring and reporting on funds provided by DPs.

GoG should indicate what DPs can provide that oil revenues are used appropriately (e.g. possibly increase focus on targeted technical assistance/expertise rather than budget support)

- *predictability and use of national systems*

Predictability has improved, so has use of country systems but strengthening such systems remains top priority. There are still substantial weaknesses in PFM and procurement systems and progress on decentralisation has been rather slow. PEFA scores remain low and the recurring issues of delays in audit reports and arrears accumulation need to be addressed. In this respect, improvement in GoG’s systems, intensive training of staff and more rigorous auditing and audit follow-up are needed.

- *capacity development*

GoG’s requests for capacity development are fragmented, piecemeal, as well as ad hoc. This makes it difficult for DPs to respond to such request in a timely and coordinated manner.

Capacity assessments could be better linked to sectoral strategies, more use of joint delivery arrangements including pooled TA funds. A suggestion was made for the creation of a central pooled- fund for capacity development to respond to peer-reviewed proposals from MDAs in response to priority needs (e.g. M&E, PFM, gender analysis).

The new Aid Policy mentions GoG producing a Ghana Capacity Development Strategy. This strategy if developed can be the basis for DP’s engagement and alignment in this very important area.

- *policy dialogue*

Government leadership on policy dialogue seems to be lacking. It is still too much DP-driven. Despite GoG circulars, not all Sector Working Groups are co-chaired by Chief Directors. GoG must decide whether or not it finds value in policy dialogue input provided by DPs, CSOs. Greater involvement of Ministers in decision making/policy discussions with donors would also strengthen the policy dialogue.

Policy dialogue is weak at the central level but strong in some sectors, albeit not all. Cross-cutting issues and emerging issues (like oil and gas) merit more attention but DPs are slow to respond by bringing in the required expertise.

One main challenge to the policy dialogue is the delays in approving the new development strategy. This has affected the negotiations on the forward looking PAF and DP's strategy's for 2010 and 2011.

- *coordination amongst donors*

Generally going well, but the challenge here is to bring in players like BRICKs and vertical funds. Also, the clearing-house role of sector working groups could be strengthened.

Some donors continue to favour traditional stand-alone bilateral projects; there is also inadequate coordination and engagement on key issues (energy, public sector reform, oil and gas). GoG must be consistent in communicating its preferences for aid modalities; DPs most heavily engaged in key sectors should also facilitate policy dialogue process with GoG.

Coordination between DP has opened and deepened over the years, mainly due to the MDBS structure. However, there is still need for further development. Some DPs get more information than others and make decisions based on this information, thus affecting the level and depth of the dialogue—e.g. IMF being given a preview of the new MDTP.

- *coherent ODA & trade & other policies*

Donor trade and immigration policies often are not consistent with GoG's development objectives. In particular, DPs' protectionism can limit Ghana's exports, while their liberal immigration policies for skilled personnel facilitate brain-drain of Ghana's limited skilled and highly skilled labour. The remedy is for GoG to clearly identify its interests and defend them in bilateral and multilateral forums.

GoG and other regional members need to strengthen regional integration strategies. Government also needs to build its capacity on negotiation skills to further strengthen its role and leverage in trade negotiations.

- *Ghana Aid Policy*

The new Ghana Aid Policy has been very much delayed and is yet to be finalised. There would be a need to educate MDA on the new policy as they engage with DPs to ensure that they follow the provisions of the policy especially in line with the request for project support.

Ghana needs to clarify what it needs from donors which it cannot get through other revenues. The new Aid Policy places a heavy emphasis on budget support which is inconsistent with reality of impending middle-income status that Ghana relishes to achieve.

- *domestic accountability of the GoG*

Domestic accountability of GOG has improved over the years and is currently been monitored using a number of reports—e.g. APRM, Afro Barometer, and Transparency International. However there are some lags in judicial reforms, access to information, management and control of expenditure and revenues, and alignment of expenditure to the budget that need to be addressed by GoG.

Parliament needs to be given adequate resources; media needs to be professionalized; CSOs need to be nurtured: tax base needs to be expanded to increase interest of citizens in how public resources are managed.

DPs have a role to play—by helping build a strong civil society—and some progress has been made here, such as building a stronger research and advocacy community through the Ghana Research and Advocacy Project (G-RAP)

- *domestic accountability of the DPs*

Most DPs seem very ready to be held accountable. However, measuring results and attributing them to the assistance of individual DPs is not easy in a PBA environment. Strengthened national M&E systems in Ghana and increased transparency on budget and expenditure will help demonstrate the link between resources provided and results achieved.

There needs for a deeper level of engagement of CSOs to understand how DPs operate as institutions and their engagement with GoG. This would help deepen the level of domestic accountability of DPs. This is a shared responsibility of individual DPs, DPs jointly and GoG through transparency and increased availability of data on DPs' activities in Ghana.

6.3.3 *Indicator G3: DPs' opinion about...*

- *Positive aspects of the assessment*

The DP-PAF is an important element of the mutual accountability agenda. The assessment provides an avenue for GOG and DPs to evaluate each other in a transparent manner. It is an excellent tool for GoG to assess donors activities and improve donors' coordination if all DPs would be included, i.e. not only the MDDBS partners as it is today, but also the others and in particular the non traditional donors.

- *Problems with the assessment*

The whole idea of the DP-PAF was to get the BRICKS involved in the exercise; however this has not been the case. Without the non-involvement of the BRICKs in the DP-PAF, it makes this exercise a repetition of the ongoing reviews of the Paris Declaration and the G-JAS.

At this moment, it has not clearly captured how we actually differentiate the use of DP-PAF exercise and Paris Monitoring exercise in terms of reporting to our Headquarters.

The DP-PAF is too long— the number of indicators should be reduced. Information about GoG budget should not be requested from DPs, but rather from GoG directly. It would be more meaningful to report on technical cooperation by disbursement rather than by number of programs.

- *Suggestions about DP-PAF indicators that should be reviewed for the future*

A number of the questions are repetitions of other ongoing reviews; the G-JAS, the Paris Declaration. If we could de-link these questions, the DP-PAF could have been stronger.

Definitions should be made clear. For example, there is the need to be precise about what a country analytic work includes.

7 The way ahead

This baseline report is the **starting point** for the consolidation and adoption of the DP-PAF in 2010:

- The next step should be with the MOFEP and the HOCs putting the DP-PAF on the agenda of the forthcoming CG Annual Partnership Meeting in September 2010 in view of a plenary discussion and adoption.
- It is suggested that the remaining time until the CG-Meeting could be used to create a joint working group to (1) take note of the draft DP-PAF, (2) to propose individual and/or collective target values for the indicators, and (3) to explore ways and means to broaden the DP coverage on the occasion of the CG-APM and beyond.
- The CG-APM, scheduled for September 2010, takes the final decisions on (1) the DP-PAF matrix, (2) the target values 2010–2012, and (3) the assessment process in 2011.

The first **DP-PAF assessment process in 2011** for 2010 should be launched very early in the year to make sure that a close coordination with the Paris Declaration evaluation in the same year is feasible. Therefore, immediately after the CG-APM 2010 MOFEP should (1) secure funding of the forthcoming assessment 2011, and (2) launch the process to identify and engage an independent consultant, based on terms of reference agreed upon between the MOFEP and DPs (see annex 5 for a draft). A MOFEP decision on the consultant and the mandate will pave the way that s/he will be operationally ready to start the assessment process in January 2011.

The main **objective** of the 2011 assessment is to provide an independent review of individual and collective DPs performance in 2010 against the commitments and indicators set out in the DP-PAF matrix and compared with the 2008/09 baseline of performance set out in this baseline study. Related objectives will be:

- To propose an *updated DP-PAF* matrix. This implies identifying new targets for the years 2011-2013. Individual donor contributions against those aggregated commitments should also be identified;
- To suggest how to *improve the DP-PAF matrix* including the partnership area;

- To recommend *possible improvements in the process* of monitoring the DPs' performance and the dialogue platform.

The assessment **methodology** starts with the DP-PAF and the baseline report based on which the consultant develops a questionnaire. S/He takes into account parallel efforts in the first half of 2011, in particular the evaluation of the Paris Declaration. Based on the feedback s/he gets from respondents to the questionnaire, s/he makes interviews with the GoG (MOFEP and selected MDAs), DPs including the IMF, the Parliament (Committee of Finance), and informed CSOs. The interviews are to validate figures and findings, to identify divergent perceptions and to benefit from the knowledge of stakeholders to improve the aid partnership and the DP-PAF assessment in future. The consultant prepares a draft report, including the proposed update for the DP-PAF, based on the returned questionnaires and the interviews. S/He presents the findings and discusses the draft report at a platform determined by the mandating agency. Taking into account the contents of the feedback, the draft report is revised and delivered at the time agreed. On the occasion of the CG-APM 2011 the DPs and the GoG discuss the independent assessment for 2010, set targets for 2011–2013, and review the consultant's recommendations.

In view of capacity strengthening, the **consultant** should rather be a Ghanaian instead of an international institution which can ensure a professional execution by one or several individuals.⁴³ The consultant strives for maximum objectivity in terms of fact finding. As it is an independent assessment of different actors and perspectives, the consultant takes up shared opinions while also mentioning important divergent views. When proposing targets, s/he pays attention to their feasibility.

The assessment process in 2011 should pay attention to a number of **important challenges**:

- **DP coverage:** It is recommended that the consultant will have selected interviews with DPs not (yet) involved, in particular non-traditional DPs, with on support from the GoG, to identify reasons of disinterest and to contribute to better information on the Ghana Aid Policy and their implications. Right from the start it had been declared an important issue by the GoG as well as the DPs to involve non-MDBS DPs and among them in particular non-traditional donors such as the BRICK countries, vertical funds and other countries like Australia. MOFEP informed them by a letter from the Minister to be prepared for an interview.⁴⁴ However, despite sending invitations to all of them, they were not represented at the workshop. The inclusion of more and in particular non-traditional DPs remains on the agenda and can be done at any point of time.

⁴³ As expertise requirements for the consultant are to be mentioned:

- A strong general background on aid effectiveness, in particular regarding the PD-, the AAA-agenda and the upcoming High Level Forum 2011;
- Solid information of the debate on programme and project aid, on the use of country systems and capacity development;
- Good experience with the different approaches and working modes of DPs, ideally also knowledge about non-traditional DPs;
- Intimate knowledge of Ghanaian institutions on the Government side, of parliament and civil society organisations (CSOs).

⁴⁴ Korea and Brazil received Samuel Nii-Noi Ashong for a discussion.

- *DP coordination*: As the DP-PAF coverage is to go beyond the MDBS framework, on the DPs side process responsibility was entrusted to the HOCs. This step is very convincing in theory, in practice the HOC machinery may not (yet) be laid out to co-steer such time consuming and long-term processes (for example with a rotating chair which changes every four months making continuity rather difficult). It might be worthwhile to examine to what extent the assignment of the DP-PAF process to the HOCs requires changes of their way of working in order to reduce the risk of slippages of the process.
- *Policy coherence*: Relations of DPs with Ghana go beyond aid and include trade, finance, migration, etc. In future, the instrument of the DP-PAF could be extended to include the entire range of development-relevant relations and their coherence.⁴⁵ This is of particular relevance if the trend of politically motivated spending by donors, such as those linked to concerns of security, immigration or climate change, continues. As a first step a question on coherence is included in the qualitative part (part G) of the DP-PAF matrix.
- *Efforts at sector level*: The assessment should take into account and relate with any parallel initiatives – for example in the health sector⁴⁶ – to measure the performance of DPs at the sector or regional level.
- *Memorandum of Understanding (MoU)*: The DP-PAF translates the Ghana Aid Policy at the national and the PD/AAA-commitments at the international level into an operational and contextualised instrument. When having the experience of one or two years, the question should be examined whether it makes sense to formalise and summarise the aid partnership in an MoU in order to strengthen the binding element of the non-enforceable DP-PAF commitments.

It is important to bear in mind that the DP-PAF is **part of a process** in view of making aid more effective. It remains an instrument and not an end in itself. Progress will be made if the DPs ask themselves how they can improve their performance in a coherent manner, and if the GoG knows how it will take the DP-PAF results forward and make use of them.

⁴⁵ Initiatives in that direction are the Commitment to Development Index of the Centre for Global Development, and the debate in the EU on a “Whole of Union Approach”.

⁴⁶ See Ministry of Health 2009, p.71 and 75.

Annex 1: Interviews

Abayateye Alfred W.G.	Parliament	Vice Chair Committee on Finance
Addison Ernest	Bank of Ghana	Research Director
Addo Mary-Anne	MOFEP	Head, External Resource Mobilisation - Multilateral
Mr. Addo	Ministry of Justice & Attorney-General	Director, PPME
Adutwum Regina O.	National Development Planning Commission	Director-General
Anemana Sylvester	Ministry of Health	Ag Chief Director
Ankomah Papa Owusu	Parliament	Member (minority) Committee on Finance
Apiada-Agyen Kwame Agyapong	Ministry of Education	Planning Officer & DP Coordinator
Attebery David	USAID	Deputy Head of Mission
Avedzi James Klutse	Parliament	Chairman Committee on Finance
Bednar James	Millennium Challenge Corporation (MCC)	Resident Country Director
Bierkens Michiel	Embassy of the Netherlands	Counsellor, Deputy Head of Mission
Boahen Philippe	African Development Bank	Agriculture Expert
Buatsi Paul N.	Ministry of Education	Ag Chief Director
Crowards Tom	DFID, Department for International Development	Senior Economic Adviser & Team Leader Growth and Governance Team
Dakpallah George F.	Ministry of Health	Ag Director Policy, Planning, Budget, Monitoring and Evaluation
Dei Frank Icofi	Ministry of Water Resources, Works and Housing	Director Policy, Planning, Budget, Monitoring and Evaluation (PPME)
Deprince Bruno	Agence Française de Développement (AFD)	Deputy Resident Manager
Dessus Sébastien C.	World Bank	Lead Economist, permanent MDBS Co-Chair
Donkor Patrick Isaac	National Development Planning Commission	Deputy Director
Dugbley Frank	Embassy of Brazil	Economic Co-ordinator
Farhart Angela	DANIDA	Programme Coordinator
Garisey Richard	Ministry of Women and Children Affairs (MOWAC)	Director Policy, Planning, Budget, Monitoring and Evaluation (PPME)
Hashimoto Nobuyuki	Japan International Cooperation Agency JAICA	Project Formulation Advisor
Van der Helm Ruud	Embassy of the Netherlands	First Secretary, Senior Economic Advisor
Jeng Alieu	African Development Bank	Resident Representative
Joly Christian	French Embassy	Co-opération Attaché
Lang Nicolas	Swiss Embassy	Ambassador
Larbi Kofi W.	Ministry of Trade and Industry	Ag Chief Director

Lindsay Julianna	UNICEF	Chief, Advocacy, Communication, Monitoring and Analysis Section
Ludwig Harriet	German Embassy	First Secretary, Head of Dept. for Economic Cooperation and Development
Mandouze Baptiste	European Union	Programme Officer, Macroeconomic and Trade Section
Mends Eva	MOFEP	Head Budget Development Unit (BDU)
Messiba Irene	Ministry of Local Government, Rural Development (MLGRD)	MDBS focal person
Myles Ian	Canada	Counsellor, Deputy Director, Planning and Programming, incoming MDBS Co-Chair
Nyankamawu D.A.	Ministry of Local Government, Rural Development (MLGRD)	Chief Director
Oku-Afari Kwabena	MOFEP	Policy Analysis Research Division (PARD)
Okudzeto Eline	African Development Bank	Macroeconomist
Okyere-Nyako Yaw	MOFEP	Head External Resource Mobilisation - Bilateral
Opam Michael	Ministry of Energy	Director Policy, Planning, Budget, Monitoring and Evaluation (PPME)
Opoten-Boamah A.	Ministry of Local Government, Rural Development (MLGRD)	Director Policy, Planning, Budget, Monitoring and Evaluation (PPME)
Owusu Kenneth	National Development Planning Commission	Senior Technical Assistant, Office of the Director-General
Quist David	MOFEP	External Resource Mobilisation, World Bank Unit
Ryu Ho-Kwon	Embassy of the Republic of Korea	Counsellor/Consul
Sackey Veronica	MOFEP	MDBS Coordinator
Saladin Martin	Swiss Embassy	Head of Cooperation, Counsellor and Economic Advisor, MDBS Co-Chair
Schoen Helmut	German Cooperation (KfW)	Director KfW Office Ghana
Sedegah Kordzo	UNDP	Programme Officer
Sharkey Helen	DFID, Department for International Development	Corporate Policy and Strategy Manager, Communication and Information Unit
Simpson Ekuban Effie	MOFEP	Chief Director
Tekawa Aska	Embassy of Japan	Coordinator for Economic Cooperation
Tetteh Alex	MOFEP	Aid and Debt Management Division (ADMD)
Tsegah Charles	Ministry of Education	Director Policy, Planning, Budget, Monitoring and Evaluation (PPME)
Yakubu Alhaji Ziblim	Ministry of Water Resources, Works and Housing	Ag Chief Director

Annex 2: Questionnaire and draft DP-PAF (04.02.10)

(4 February 2010)

This questionnaire has a double **objective**:

- (1) The consultants need a feedback on the first draft of a DP-PAF.
- (2) Your information for the baseline years 2008 and 2009 is required.

Please note:

- (1) Your feedback is needed not later than 26 February 2010;
- (2) Send the filled questionnaire to the consultants Samuel N. Ashong (niinoi@cepa.org.gh) and Richard Gerster (richard.gerster@gersterconsulting.ch);
- (3) Samuel Ashong can also be contacted by mobile phone 020 201 3908

Background:

- The Government of Ghana has announced in its Budget Speech on 18 November 2009 in Parliament that it will formulate a performance Assessment Framework to assess the performance of DPs (DP-PAF). According to its recent draft Aid Policy the DP-PAF will be addressed to all DPs in order to base international cooperation more symmetrically on mutual accountability.
- Based on these new developments and on interviews with the GoG, various DPs and other stakeholders, a first draft for a DP-PAF has been developed by the consultants. The main part consists of indicators. Number and choice of indicators for the revised draft DP-PAF will depend on the feedback received. When DPs provide figures in the assessment they will have the opportunity to give their qualitative views on why the figures are as they are. Moreover, the concluding general questions on partnership open up the qualitative dimension beyond figures.
- The consultants share the concerns of both DPs and the GoG to have a practical instrument with minimum transaction costs. The related work at the multilateral level (Paris Declaration & Accra Agenda for Action) and the experience from other countries are taken into account. PD/AAA definitions apply.
- Your feedback at this early stage is crucial to arrive at a more concrete proposal which will be discussed at a workshop in mid-April 2010. The DP-PAF is to be endorsed at the forthcoming CG-Meeting in May/June 2010. The first DP-PAF assessment in 2011 for 2010 will be closely coordinated with the PD/AAA Survey 2011.

Guidelines:

- You are invited to share any **general comments** (part 1 of the questionnaire) on the proposed DP-PAF, in terms of size, structure, key themes, etc. In case you have other ideas, concrete proposals are welcome.
- Equally important, you are invited to react on the **specific proposed indicators** in two ways:
 - (1) We need your **feedback** on individual indicators (part 2), in terms of relevance (high/medium/low priority), any other comments you may have and your proposals to improve them. Refer your comments to their individual designation A1 – G7.
 - (2) We need moreover the **data** of your country/agency both for 2008 and 2009 for the forthcoming baseline study (part 3) and target values for 2010. You may comment on the data.

Your cooperation is greatly appreciated! Keeping to the indicated deadline of **26 February 2010** to fill this questionnaire is **absolutely** essential.

Identification of responding organisation

Date:

Type of organisation (please tick): GoG yes/no; DP Yes/no ; other specify:

Name of organisation:

Address:

Phone number:

Person who filled the questionnaire (name & position):

Mobile number:

E-mail address:

Part 1: General comments on the draft DP-PAF:

Part 2: Comments on individual indicators (see draft DP-PAF)

Priority: H = High; M = Medium; L = Low

No	comments	Priority
Portfolio		
A1		
A2		
A3		
A4		
A5		
Harmonisation		
B1		
B2		
B3		
Alignment		
C1		
C2		
C3		
C4		
C5		
C6		
C7		
C8		
C9		
Predictability		
D1		
D2		
D3		
Transparency		
E1		
E2		
E3		
Capacity		
F1		
F2		
MDBS-related indicators		
G1		
G2		
G3		
G4		
G5		
G6		
G7		
G8		
Partnership		
H		

Part 3: Baseline data 2008/2009 and target 2010 (see draft DP-PAF)

* denotes Paris Declaration indicator

No	Questions	2008 (actual)	2009 (actual)	2010 (target)
Portfolio				
A1*	How much total ODA did you provide at country level (state data both in national currency and USD)? How much ODA did you provide directly to GoG? How much ODA provided to GoG was recorded in the national budget?			
A2	How much ODA did you provide as GBS? How much ODA did you provide as SBS (except DDF)?			
A3	How much ODA did you provide to the District Development Fund (DDF)?			
A4	How much ODA related to domestic accountability did you provide in support of the Parliament? CSOs? Independent Research Institutions? the Media?			
A5	Enumerate the sectors receiving ODA support from you – how many? In what sectors do you have signed silent partnerships/delegated cooperation agreements in place?			
Harmonisation				
B1*	How many donor missions did you undertake? How many of them were undertaken jointly with other DPs?			
B2*	How many country analytic works did you undertake? How many of them were done jointly with other DPs?			
B3	Is your structure of allowances and per diem harmonised with those of other DPs? Is your structure of allowances and per diem aligned to that of the GoG?			
Alignment				
C1*	How much ODA disbursed for the government sector used... ...national budget execution procedures (USD)? ...national financial reporting procedures (USD)? ...national auditing procedures (USD)? ... all three national procedures as defined above (USD)?			
C2*	How much ODA given to GoG did you disburse using GoG procurement systems?			
C3	In your ODA to GoG, did you make use of GoG's monitoring and evaluation (M&E) capabilities?			
C4	Did you share the reasons why you did not use GoG PFM systems? Why? Procurement systems? Why? M&E systems? Why?			
C5*	How many parallel project implementation units did you make use of?			
C6*	How much of your ODA to Ghana is untied ?			
C7*	How much of total ODA did you disburse in support of initiatives adopting programme-based approaches (PBAs), including GBS/SBS?			

C8	How many missions did you have during the silent period? How many of them (name the sectors) did you have the agreement of the GoG (waiver)?			
C9	During the year in question, did your agency take steps towards further delegation of authority to the country level?			
Predictability				
D1*	How much total ODA for the government sector did you schedule for disbursement in the calendar year in question? (USD) How much total ODA for the government sector was actually recorded in GoG accounting systems in the respective calendar year?			
D2	How much of your ODA to GoG (USD) was delivered through multi-year binding agreements of at least three years?			
D3	Do you provide non-binding, sector specific indications of ODA to GoG covering at least 3 years ahead, on a rolling basis and according to GoG fiscal year?			
Transparency				
E1	Did you provide timely info on all ODA disbursements to GoG along the lines of GoG budget classification?			
E2	Did you make public all conditionalities linked to your disbursements?			
E3	Has your country/agency signed up to IATI (International Aid Transparency Initiative)?			
Capacity				
F1*	How much technical co-operation did you disburse in the calendar year in question (USD)? How much technical co-operation did you disburse through co-ordinated programmes in support of capacity development?			
F2	Do you provide capacity development based on a sector plan? If yes, which sectors?			
MDBS-related indicators				
G1	Did your country/organisation provide indicative commitments for budget support in the year 2008 to GoG within 4 weeks after the MDBS Annual Review (MDBS-AR) in 2007? Did your country/organisation provide indicative commitments for budget support in the year 2009 to GoG within 4 weeks after the MDBS Annual Review (MDBS-AR) in 2008?			
G2	Did your country/organisation provide firm commitments for budget support in the year 2008 to GoG at least 4 weeks before GoG's 2008 budget submission to Parliament in 2007? Did your country/organisation provide firm commitments for budget support in the year 2009 to GoG at least 4 weeks before GoG's 2009 budget submission to Parliament in 2008?			
G3	How much MDBS did your country/organisation disburse to the GoG in fiscal year 2008 and 2009? How much of it was disbursed within the first quarter of the GoG's fiscal year?			
G4	How much of your country's/organisation's MDBS to the GoG was disbursed according to the quarterly disbursement schedule agreed with the GoG in 2008			

	and 2009?			
G5	Is your country's/organisation's bilateral agreement with the GoG fully consistent with the MDBS FM in 2008 and 2009?			
G6	Did your country/organisation adhere fully to the negotiated general budget support conditionalities associated with the MDBS-PAF in 2008 and 2009?			
G7	Did your country/organisation take into account opinions beyond the IMF on the macroeconomic status of the country before taking MDBS disbursement decisions?			
G8	Did your country/organisation pursue trade policies which were inconsistent with development objectives of the MDBS? If yes, please describe. Any changes in the years 2008 and 2009?			
Partnership				
H	Any comments on the questions in this part are welcome.			

Draft DP-PAF (4 February 2010)

A Portfolio

Results Area	Indicator	2008 Baseline (actual)	2009 Baseline (actual)	2010 Target	2011 Target	2012 Target
A. Portfolio	A1 % ODA to GoG recorded in the national budget (PD #3)			85%*		
	A2 % ODA to GoG delivered as budget support (GBS & SBS)					
	A3 % ODA to GoG delivered as decentralised budget support					
	A4 Number of DPs who maintain a portfolio component to strengthen GoG domestic accountability					
	A5 (Average) number of sectors of intervention per DP					

* PD target 2010

Background information

A1. % ODA to GoG recorded in the national budget	
Reference:	Paris Declaration indicator #3
Rationale:	Recording of ODA in the national budget is a proxy for alignment of aid to national priorities.

Definition:	Sum of external grants and loans on budget divided by total ODA disbursed for the government sector (PD definitions apply)
Means of verification:	Donor self-reporting; GoG Budget as approved by parliament.

A2. % ODA to GoG disbursed as budget support (GBS & SBS)

Reference:	Ghana Aid Policy
Rationale:	DPs align with the GoG's declaration of budget support as the preferred aid modality (vision of at least 50% share in ODA).
Definition:	Sum of MDBS- and SBS-disbursements divided by total ODA disbursed for the government sector.
Means of verification:	Donor self-reporting; GoG Budget as approved by parliament.

A3. % ODA to GoG delivered as decentralised budget support

Reference:	GoG decentralisation policy; interviews
Rationale:	Implementation space of subnational entities with a minimum performance in service delivery is extended by increasing discretionary funds. Contributions to the DDF follow a pattern close to budget support at decentralised level (difference: special account).
Definition:	DPs' unearmarked contributions to District Development Fund (DDF) divided by total ODA disbursed for the government sector.
Means of verification:	DDF Accounts; donor self reporting

A4. Number of DPs maintaining a portfolio component to strengthen GoG domestic accountability

Reference:	AAA; G-JAS
Rationale:	Strengthening the capacity of parliament, CSOs, independent research institutions and media increases the demand for accountability of the GoG. Well functioning checks and balances in society favour an effective use of public funds (domestic & ODA) by government.
Definition:	Number of DPs contributing to an accountability related program of parliament, CSOs, research institutions or media.
Means of verification:	Donor self reporting

A5. (Average) number of sectors of intervention per DP

Reference:	Ghana Aid Policy; G-JAS; PD; Rwanda DP-PAF
Rationale:	A deliberate division of labour among DPs increases greater efficiency and effectiveness in aid delivery and reduces transaction costs. DPs are encouraged to work in fewer sectors of comparative advantage and to make use of delegated cooperation.
Definition:	Number of sectors of intervention per DP minus number of signed silent partnership / delegated cooperation agreements per DP
Means of verification:	Donor self-reporting; Review 2008 of DP Division of Labour in Ghana; G-JAS Review 2009

B Harmonisation

Results Area	Indicator	2008 Baseline (actual)	2009 Baseline (actual)	2010 Target	2011 Target	2012 Target
B. Harmonisation	B1 % of total missions that are joint (PD #10a)			40%*		
	B2 % of donor analytic work that is coordinated (PD #10b)			66%*		

Results Area	Indicator	2008 Baseline	2009 Baseline	2010 Target	2011 Target	2012 Target
	B3 A common framework of allowances & per diems is agreed and increasingly practiced			framework agreed	practised by ?? DPs	practised by ?? DPs

* PD target 2010

Background information

B1. % of total missions that are joint	
Reference:	Paris Declaration indicator #10a; G-JAS; G-HAP
Rationale:	Increasing the share of joint missions and reducing separate, duplicative missions reduces the transaction costs
Definition:	Number of joint missions divided by total number of missions (PD definitions apply)
Means of verification:	Donor self-reporting;

B2. % of donor analytic work that is coordinated	
Reference	Paris Declaration indicator #10b; G-JAS; G-HAP;
Rationale:	Joint diagnostic reviews strengthen the ground of shared analysis and reduce transaction costs.
Definition:	Number of joint country analytic work divided by total number of country analytic work (PD definitions apply)
Means of verification:	Donor self-reporting; PD survey

B3. A common framework of allowances & per diems is agreed and increasingly practiced	
Reference:	G-JAS; G-HAP
Rationale:	The harmonisation of different parallel practices of DPs when paying allowances and per diems to GoG staff eliminates a source of injustice and frustration. When a revised GoG framework will be in place, the standards can be aligned.
Definition:	Joint approach related to the payment of allowances/per diems is agreed and applied by DPs as an interim harmonisation until alignment to a revised GoG framework will be feasible.
Means of verification:	Donor self-reporting; G-JAS review 2009

C Alignment

Results Area	Indicator	2008 Baseline (actual)	2009 Baseline (actual)	2010 Target	2011 Target	2012 Target
C. Alignment	C1 % ODA to GoG disbursed using GoG PFM procedures (PD #5a)					
	C2 % ODA to GoG disbursed using GoG procurement systems (PD #5b)					
	C3 Number of DPs making use of GoG's monitoring & evaluation capacities					

Results Area	Indicator	2008 Baseline	2009 Baseline	2010 Target	2011 Target	2012 Target
	C4 Number of DPs sharing reasons why they do not use Ghana's PFM & procurement & M&E systems					
	C5 Number of parallel PIUs (project implementation units, PD #6)					
	C6 % of ODA untied (PD #8)					
	C7 % of total ODA disbursed in support of PBAs (PD #9)			66%*		
	C8 Number of donor missions violating GoG silent period					
	C9 % of DPs delegating greater authority to country level					

* PD target 2010

Background information

C1. % ODA to GoG disbursed using GoG PFM procedures	
Reference:	Paris Declaration indicator #5a; PEFA; Ghana Aid Policy; Mozambique & Rwanda DP-PAF
Rationale:	When providing ODA to the government sector, the use of the GoG public financial management (PFM) systems strengthens the GoG's capacity to develop, implement and account for its PFM policies.
Definition:	% ODA disbursed to the government sector using public PFM systems in terms of budget execution procedures, financial reporting procedures, and/or auditing procedures (PD definitions apply)
Means of verification:	Donor self-reporting; GoG; PEFA 2009; PD survey

C2. % ODA to GoG disbursed using GoG procurement systems	
Reference:	Paris Declaration indicator #5b
Rationale:	When providing ODA to the government sector, the use of the GoG procurement systems strengthens the GoG's capacity to develop, implement and account for its procurement policies
Definition:	% ODA disbursed to the government sector using public procurement systems (PD definitions apply)
Means of verification:	Donor self-reporting; GoG; PEFA 2009; PD survey

C3. Number of DPs making use of GoG's monitoring & evaluation capacities	
Reference:	AAA; G-JAS
Rationale:	In order to strengthen national capacities to manage public resources for results, donors are supposed to use country M&E systems.
Definition:	Number of DPs describing how they make use of country M&E systems
Means of verification:	Donor self-reporting;

C4. Number of DPs sharing reasons why they do not use Ghana's PFM & procurement & M&E systems	
Reference:	AAA; G-JAS
Rationale:	In order to strengthen national capacities to manage public resources, donors are supposed to use country systems as their first option. Donors agreed to transparently state why they rely on aid delivery outside the country systems when they support activities managed by the public sector. This transparency is an incentive to improve.

Definition:	Number of donors informing their partners systematically on reasons why they do not use partner country systems in PFM, procurement and/or M&E.
Means of verification:	Donor self-reporting;

C5. Number of parallel project implementation units (PIUs)

Reference:	Paris Declaration indicator #6; Ghana Aid Policy; G-JAS; G-HAP
Rationale:	PIUs undermine progress towards strengthening local capacity for planning, implementation, and accountability; short term gains in efficiency outweigh the long term implications of weakening local capacities.
Definition:	Number of parallel project implementation units (PD definitions apply)
Means of verification:	Donor self-reporting; PD survey

C6. % of ODA untied

Reference:	Paris Declaration indicator #8; G-JAS; G-HAP
Rationale:	Untying ODA in line with the OECD-DAC recommendation 2001/08 increases aid effectiveness by getting better value for money and improving country ownership and alignment.
Definition:	% of ODA that is untied (PD definitions apply)
Means of verification:	Donor self-reporting; GoG; OECD-DAC

C7. % of total ODA disbursed in support of PBAs

Reference:	Paris Declaration indicator #9; G-JAS
Rationale:	Channelling ODA based on a partner's programme, using his systems, and co-ordinating with others involved increases aid effectiveness.
Definition:	% ODA disbursed in support of programme based approaches, built on Ghanaian leadership, a single programme and budget framework, harmonisation and alignment? (PD definitions apply)
Means of verification:	Donor self-reporting; GoG; G-JAS Review 2009; PD survey

C8. Number of donor missions violating GoG silent period

Reference:	G-JAS; G-HAP; Rwanda & Mozambique DP-PAF
Rationale:	In order to concentrate its capacities on budget preparation, the GoG declares a number of weeks as mission free silent period
Definition:	Number of missions during GoG's declared silent period mid-September – mid-November in year assessed; of which agreed mission with a GoG waiver
Means of verification:	Donor self-reporting; GoG

C9. % of DPs delegating greater authority to country level

Reference:	Vietnam HCS Matrix; CIDA's Aid Effectiveness Action Plan
Rationale:	The decentralisation of donor structures to the country level facilitates contextualised decision making and alignment
Definition:	Number of DPs describing concrete steps for further delegation of authority to country level during the year assessed
Means of verification:	Donor self-reporting

D Predictability

Results Area	Indicator	2008 Baseline (actual)	2009 Baseline (actual)	2010 Target	2011 Target	2012 Target
D. Predictability	D1 % ODA to GoG delivered in the year for which it was scheduled (PD #7)					

Results Area	Indicator	2008 Baseline	2009 Baseline	2010 Target	2011 Target	2012 Target
	D2 % of ODA to GoG delivered through multi-year binding agreements of at least three years.					
	D3 Number of donors providing non-binding indication of sector specific future ODA to GoG covering at least 3 years ahead, on a rolling basis and according to GoG fiscal year.					

Background information

D1. % ODA to GoG delivered in the year for which it was scheduled	
Reference:	Paris Declaration indicator #7; PEFA; Mozambique & Rwanda DP-PAF
Rationale:	The GoG needs to plan and to optimise allocation of resources within and across sectors. DPs facilitate such efforts by providing reliable indicative commitments of aid and disbursing aid in a timely fashion according to agreed schedules in order to arrive at in-year predictability of aid flows to the government sector.
Definition:	% ODA to the GoG disbursed in the year for which it was scheduled (PD definitions apply)
Means of verification:	Donor self-reporting; GoG

D2. % of ODA to GoG delivered through multi-year binding agreements of at least three years	
Reference:	AAA; Rwanda DP-PAF
Rationale:	Improved medium-term predictability of ODA facilitates to effectively plan and manage development resources by the GoG
Definition:	% of ODA to GoG delivered through multi-year binding agreements of at least three years
Means of verification:	Donor self-reporting; GoG

D3. Number of donors indicating sector specific future ODA to GoG covering at least 3 years ahead on a rolling basis	
Reference:	Ghana Aid Policy; AAA; Rwanda DP-PAF
Rationale:	Improved medium-term predictability of ODA facilitates to effectively plan and manage development resources by the GoG
Definition:	Number of donors providing non-binding, sector specific indications of ODA to GoG covering at least 3 years ahead, on a rolling basis and according to GoG fiscal year.
Means of verification:	Donor self-reporting; GoG

E Transparency

Results Area	Indicator	2008 Baseline (actual)	2009 Baseline (actual)	2010 Target	2011 Target	2012 Target
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Results Area	Indicator	2008 Baseline	2009 Baseline	2010 Target	2011 Target	2012 Target
E. Transparency	E1 Number of DPs providing timely info on all ODA disbursements to GoG along the lines of GoG budget classification					
	E2 Number of DPs making public all conditionalities to their disbursements					
	E3 Number of DPs having signed up to IATI (International Aid Transparency Initiative)					

Background information

E1. Number of DPs providing timely and public info on all ODA disbursements to GoG along the lines of GoG budget classification

Reference:	ODI 2010
Rationale:	Public reporting on ODA disbursements along the GoG's budget classification is an important step of alignment, facilitating domestic accountability of the GoG to the parliament and civil society.
Definition:	Number of DPs providing timely info on all ODA disbursements to GoG along the lines of GoG budget classification
Means of verification:	Donor self-reporting; GoG; PEFA 2009; DPs websites

E2. Number of DPs making public all conditionalities to their disbursements

Reference:	AAA
Rationale:	Evidence based policy making tells us that imposed conditionality is largely ineffective whereas agreed conditionality based on national priorities can become a driver of reform. Making all conditionalities to disbursements public is a prerequisite for accountability and change.
Definition:	Number of DPs making public all conditionalities to their disbursements
Means of verification:	Donor self-reporting; GoG; DPs websites

E3. Number of DPs having signed up to IATI (International Aid Transparency Initiative)

Reference:	AAA; CIDA's Aid Effectiveness Action Plan
Rationale:	Transparent aid relations are key to enhance aid effectiveness and donor accountability. IATI is a child of the Accra HLF 2008 to take the AAA commitments in aid transparency forward. Signing up to IATI signals the political will to contribute and adhere to voluntary standards of transparency.
Definition:	Number of DPs having signed up to IATI (International Aid Transparency Initiative)
Means of verification:	Donor self-reporting; IATI website

F Capacity

Results Area	Indicator	2008 Baseline (actual)	2009 Baseline (actual)	2010 Target	2011 Target	2012 Target
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Results Area	Indicator	2008 Baseline	2009 Baseline	2010 Target	2011 Target	2012 Target
F. Capacity	F1 % of TC provided through coordinated programmes consistent with national priorities (PD #4)			50%*		
	F2 Number of DPs providing capacity development based on sector plan					

* PD target 2010

Background information

F1. % of TC provided through coordinated programmes consistent with national priorities	
Reference:	Paris Declaration indicator #4; G-JAS
Rationale:	Capacity development (human, organisational and broader institutional capacity) is the responsibility of partner countries with donors playing a support role. The effectiveness of technical cooperation can be enhanced by aligning to national efforts under GoG leadership and coordinating with other DPs.
Definition:	% of TC provided through coordinated programmes consistent with national priorities (PD definitions apply)
Means of verification:	Donor self-reporting; GoG; PD survey

F2. Number of DPs providing capacity development based on sector plan	
Reference	Ghana Aid Policy; G-JAS; G-HAP
Rationale:	The sectors play a crucial role in Ghana's development efforts. Capacity development based on a sector plan is an opportunity to improve the frequently fragmented external support.
Definition:	Number of DPs providing capacity development based on sector plan
Means of verification:	Donor self-reporting; GoG

G MDBS related indicators

Results Area	Indicator	2008 Baseline (actual)	2009 Baseline (actual)	2010 Target	2011 Target	2012 Target
G. MDBS implementation	G1 % of MDBS DPs providing indicative commitments for BS in year n+1 to GoG within 4 weeks of end of MDBS AR in year n					
	G2 % of MDBS DPs providing firm commitments for BS in year n+1 to GoG at least 4 weeks before GoG budget submission to parliament in year n					

Results Area	Indicator	2008 Baseline	2009 Baseline	2010 Target	2011 Target	2012 Target
	G3 % of BS disbursed within the first quarter of the GoG fiscal year					
	G4 % of BS disbursed according to quarterly disbursement schedule agreed with GoG.					
	G5 Full conformity of bilateral agreements with MDBS FM					
	G6 % of MDBS DPs adhering fully to common GBS conditionality (PAF)					
	G7 Number of DPs taking into account opinions beyond the IMF on the macroeconomic status of the country before taking MDBS disbursement decisions					
	G8 Number of DPs pursuing coherent trade & development policies					

Background information

G1. % of MDBS DPs providing indicative commitments for BS in year n+1 to GoG within 4 weeks of end of MDBS AR in year n

Reference:	Mozambique & Rwanda DP-PAF
Rationale:	Predictability of GBS is essential for the GoG to establish a budget. Timely indicative commitments permit a sound start of the budget process.
Definition:	% of MDBS DPs providing indicative commitments for BS in year n+1 to GoG within 4 weeks of end of MDBS Annual Review in year n
Means of verification:	Donor self-reporting; GoG

G2. % of MDBS DPs providing firm commitments for BS in year n+1 to GoG at least 4 weeks before GoG budget submission to parliament in year n

Reference	Rwanda DP-PAF
Rationale:	Predictability in the sense of firm commitments for GBS is essential for the GoG to submit a budget to parliament in time.
Definition:	% of MDBS DPs providing firm commitments for BS in year n+1 to GoG at least 4 weeks before GoG budget submission to parliament in year n
Means of verification:	Donor self-reporting; GoG; PEFA 2009

G3. % of BS disbursed within the first quarter of the GoG fiscal year

Reference:	Rwanda DP-PAF
Rationale:	Frontloading of BS disbursements reduces the need of the GoG to look for other and more costly sources of funding.
Definition:	% of BS disbursed within the first quarter of the GoG fiscal year
Means of verification:	Donor self-reporting; GoG

G4. % of BS disbursed according to quarterly disbursement schedule agreed with GoG.	
Reference:	PEFA; Mozambique & Rwanda DP-PAF
Rationale:	Predictability of in-year disbursements facilitates PFM by the GoG.
Definition:	% of BS disbursed according to quarterly disbursement schedule agreed with GoG.
Means of verification:	Donor self-reporting; GoG; PEFA 2009

G5. Full conformity of bilateral agreements with MDBS FM	
Reference:	Mozambique DP-PAF
Rationale:	The MDBS FM is a non-binding but comprehensive understanding among signatories how GBS is to be delivered, thereby gaining strategic ground and reducing transaction costs. Any exceptions to that common framework should be avoided.
Definition:	Number of DPs with bilateral agreements being fully conform with the MDBS FM
Means of verification:	Donor self-reporting; GoG

G6. % of MDBS DPs adhering fully to common GBS conditionality (PAF)	
Reference:	AAA; Mozambique & Rwanda DP-PAF
Rationale:	Harmonising around an agreed performance assessment framework (PAF) with targets and triggers of strategic relevance strengthens the focus on results, increases the likelihood of successful reforms, and reduces transaction costs. Each departure from this limited set of common conditionality is a move in the opposite direction.
Definition:	% of MDBS DPs adhering fully to common GBS conditionality (PAF)
Means of verification:	Donor self-reporting; GoG

G7. Number of DPs taking into account opinions beyond the IMF on the macroeconomic status of the country before taking MDBS disbursement decisions	
Reference:	Interviews
Rationale:	The MDBS FM mentions “sound macroeconomic policies and management” as one of the underlying principles of cooperation, and the assessment of satisfactory macroeconomic performance is to be guided by an IMF instrument or arrangement. However, other sources of macroeconomic knowledge can be tapped as well: GoG/Bank of Ghana judgment, independent opinions, the MDBS macroeconomic working group. A mechanistic link of DP’s MDBS disbursements to the “seal of approval” by the IMF disregards potentially divergent assessments.
Definition:	Number of DPs taking into account opinions beyond the IMF on the macroeconomic status of the country before taking MDBS disbursement decisions
Means of verification:	Donor self-reporting; GoG; IMF

G8. Number of DPs pursuing coherent trade & development policies	
Reference:	Interviews
Rationale:	Development and aid effectiveness can be seriously hampered by inconsistent policies, particularly in the trade area with tariff barriers for imports from Ghana, trade distorting subsidies, and/or other obstacles. On the other hand, coherent trade and development policies are of great relevance for Ghana’s economy.
Definition:	Number of DPs pursuing coherent trade & development policies, mainly assessed by a Commitment to Development Index of 6 and higher in the trade domain
Means of verification:	CGD Commitment to Development Index (trade domain); donor self-reporting; GoG

H Partnership

These questions should not be answered now but they are supposed to be part of the first assessment to be done in 2011 on 2010 in order to broaden the assessment beyond the figures of the indicators and to capture the more qualitative dimension of the aid partnership. However, any comments are welcome.

Evaluation of Progress in the Development Partnership
(please, present your analysis and give concrete examples)

H1 What is your opinion regarding the following issues involving the GoG-DP-partnership	In 2010 relative to (1) 2008/09, and (2) over the longer term (5 years, 2005/2010)
Areas of development partnership that have recorded significant improvement...	
Areas that are lagging behind and need significant improvement...	
What could have or still can be done to value progress and address the areas lagging behind (lessons for the future)	

Challenges ahead for the DPs regarding the development partnership in Ghana

H2 What is your opinion about challenges for the DPs with respect to....	(1) Identification & analysis of the challenge, (2) concrete examples, (3) how to deal with it
...aid volumes and portfolio composition	
...predictability & use of national systems	
...technical cooperation	
...policy dialogue	
...coordination amongst donors	
...Ghana Aid Policy	
...the impact of the "international crisis"	
...any other challenges you may identify	

Feedback on the assessment of the DP-PAF

H3 With respect to this independent assessment of the DP-PAF, what is your opinion about...	General comments and concrete examples
Positive aspects of the assessment	
Problems with the assessment	
Suggestions about DP-PAF indicators and procedures that should be reviewed for the future	
Suggestions about DP-PAF assessment procedures that should be reviewed for the future	
Any other feedback or suggestions	

Annex 3: DP-PAF indicators: consultation feedback

A Portfolio

The indicators should be more analytic and question the structure of ODA (Loans/grants, concessionality, non-souvereign loans/grants, etc) (AFD/France)

Indicator	Reference	Rationale	Definition	Verification
A1 % ODA to GoG recorded in the national budget (PD #3)	Paris Declaration indicator #3	Recording of ODA in the national budget is a proxy for alignment of aid to national priorities	Sum of external grants and loans on budget divided by total ODA disbursed for the government sector (PD definitions apply)	Donor self-reporting; GoG Budget as approved by parliament
<i>DPs comments</i>	<p><i>Priority: H (AfDB, CIDA, Denmark, Japan, Switzerland, World Bank), M (MCC/US)</i></p> <ul style="list-style-type: none"> - <i>Use of wrong ODA figures despite DP provision of figures (AfDB)</i> - <i>The EU sends on a regular basis it's forecast and disbursement to MOFEP. It can not be DP's responsibility if MOFEP does not integrate DP data that have been received. What should be taken into account is ODA on which GoG has no information (EU)</i> - <i>To differentiate from NGO/CSO support? Where do private sector organisations, administrative bodies and subordinate agencies belong to? (Germany)</i> - <i>The last part of the question should be answered by GoG and serve a reality-check with the DP provided data to further analyze where possible differences result from (Germany)</i> - <i>The key to this indicators should not be the extent to which DPs report ODA on budget, but a reality check on what is actually recorded and budgeted for. Since ADMD should register all ODA through government, our analysis should have two layers: (1) check of ADMD recording (both forward and backward), (2) reconcile with budget figures, based on appropriation bill (preferably in advance of appropriation so that errors can be corrected (Netherlands, MCC/US)</i> - <i>DP data recorded in the Budget is often simply wrong and not necessarily symptomatic of a lack of reporting on DP side. Amount of ODA recorded in Budget, is this projected or actual? (Switzerland)</i> - <i>Could consider measuring % ODA to GoG recorded on national accounts (DfID)</i> - <i>Suggest an indicator that measures how much of the ODA was actually disbursed as planned (MCC/US)</i> 			
Conclusion	Indicator maintained. PD definitions apply. Explore GoG reaction to DPs' queries			
A2 % ODA to GoG delivered as budget support (GBS & SBS)	Ghana Aid Policy	DPs align with the GoG's declaration of budget support as the preferred aid modality (vision of at least 50% share in ODA).	Sum of MDBS- and SBS-disbursements divided by total ODA disbursed for the government sector.	Donor self-reporting; GoG Budget as approved by parliament

Indicator	Reference	Rationale	Definition	Verification
<i>DPs comments</i>	<i>Priority: H (Denmark, Japan, Switzerland), M (AfDB, CIDA, Germany, World Bank)</i> <i>- Specify whether support to PSD pooled fund qualify as SBS (Denmark)</i> <i>- The expected amount of budget support from the EU is already known until 2014. There is not much scope for improvement. In addition, the draft aid policy does not seek all ODA being channelled through budget support (road project, capital investment project...) (However it is equally useful to know what % of ODA is currently delivered as BS) (EU)</i> <i>- For the sake of completeness, other financial instruments should be covered here as well, such as TA pools or basket funding (Germany)</i> <i>- Ability to provide BS depends on satisfactory macro economic outlook and low fiduciary risks (World Bank)</i>			
Conclusion	Indicator maintained. Definition to be in line with GoG Aid Policy			
A3 % ODA to GoG delivered as decentralised budget support	GoG decentralisation policy; interviews	Implementation space of subnational entities with a minimum performance in service delivery is extended by increasing discretionary funds. Contributions to the DDF follow a pattern close to budget support at decentralised level (difference: special account).	DPs' unearmarked contributions to District Development Fund (DDF) divided by total ODA disbursed for the government sector	DDF Accounts; donor self reporting
<i>DPs comments</i>	<i>Priority: H (Denmark), M (CIDA), L (AfDB, Germany, Switzerland, World Bank)</i> <i>- Not very clear. Do we refer only to the local authorities (MMDAs) or also to other decentralised agencies? (AFD/France)</i> <i>- Why is DDF taken extra? No other pools/baskets? (Germany)</i> <i>- Not very helpful as it stands, because no meaningful targets can be set. The indicator could read instead: % of ODA to decentralised GoG delivered as decentralised budget support. (NB. One can wonder whether the DDF really provide decentralised budget support due to the centralised structure of the fund) (Netherlands, MCC/US)</i> <i>- Is decentralisation a goal of the harmonisation process? (World Bank)</i>			
Conclusion	Indicator dropped. Reasons: (1) low priority rating, (2) unresolved definitional issues			
A4 Number of DPs who maintain a portfolio component to strengthen GoG domestic accountability	AAA; G-JAS	Strengthening the capacity of parliament, CSOs, independent research institutions and media increases the demand for accountability of the GoG. Well functioning checks and balances in society favour an effective use of public funds (domestic & ODA) by government	Number of DPs contributing to an accountability related program of parliament, CSOs, research institutions or media.	Donor self reporting

Indicator	Reference	Rationale	Definition	Verification
<i>DPs comments</i>	<p><i>Priority: H (Denmark), M (AfDB, World Bank), L (CIDA, AFD/France, Germany)</i></p> <ul style="list-style-type: none"> - <i>Number of DPs less important than amount and effectiveness of mechanism (CIDA, AFD/France)</i> - <i>One would need to make a distinction official institution (parliament...) and NGO as well as the size and type of support in the context of domestic accountability (EU)</i> - <i>Assuming that the support to these institutions is not on budget (Germany)</i> - <i>Supreme audit institutions play a key role in strengthening domestic accountability. Therefore, support to the Ghana Audit Service also should be included here (Germany)</i> - <i>The importance of domestic revenue mobilization, especially taxation, for strengthening domestic accountability (as opposed to external accountability) has widely been recognized (e.g. by OECD Govnet Task Team on Tax and Accountability). Therefore, support to revenue agencies should either be included here or under an additional indicator (Germany)</i> - <i>Not a meaningful target. Two suggestions: (1) A distinction is needed between support to non-executive state structures (Parliament, CHRAJ, Media commission) and non-governmental structures, (2) Size of the portfolio is much more important than number of DPs. Target setting will remain problematic, since it is unclear how this type of aid should develop (more/less DPs, more focus on non-executive structures?, etc.) (Netherlands, MCC/US)</i> - <i>What is the aim of the indicator and target? Is it for all DPs to have accountability programmes, or for a certain percentage of overall resources to be dedicated to this? Potentially difficult to find relevant targets (DfID)</i> - <i>World Bank deals primarily with Governments (cannot lend / provide grants to parliament or CSO directly) (World Bank)</i> 			
Conclusion	Indicator dropped. Reasons: weak support, considerable transaction costs. Can be considered as an element in the qualitative dimension of the partnership (area H)			
A5 (Average) number of sectors of intervention per DP	Ghana Aid Policy; G-JAS; PD; Rwanda DP-PAF	A deliberate division of labour among DPs increases greater efficiency and effectiveness in aid delivery and reduces transaction costs. DPs are encouraged to work in fewer sectors of comparative advantage and to make use of delegated cooperation.	Number of sectors of intervention per DP minus number of signed silent partnership / delegated cooperation agreements per DP	Donor self-reporting; Review 2008 of DP Division of Labour in Ghana; G-JAS Review 2009

Indicator	Reference	Rationale	Definition	Verification
<i>DPs comments</i>	<p>Priority: H (AfDB, Denmark), M (Germany, Switzerland), L (CIDA, AFD/France, World Bank)</p> <ul style="list-style-type: none"> - Not meaningful: many initiatives have low transaction costs for GoG (different phases, internal analysis, etc (CIDA) - Suggest Ghana specific list of sectors (DPs have different definitions of sectors). No differentiation between concept of “delegated cooperation” and concept of “silent partnership” (delegated cooperated is – ultimately – a silent partnership, but most often not so). Not clear as to what level delegated cooperation refers (all activities within a sector or delegations of minor tasks, e.g. management) (Denmark) - The notion of intervention in a sector should be clarified. Is it a technical intervention, a political intervention, a financial intervention? For the EU, since we have a 5-year programme, we already know in which sector we will stay and in which sector we will be out in a few years. However, reference to silent partnership and existing technical document allowing delegated cooperation can be an incentive (EU) - The definition of sector diverges according to the DPs and can cover different components. The list of sectoral and geographical interventions would be more helpful. And what is the significance of the number of sectors of intervention as a target? (AFD/France) - Clear sector definition to be determined first (Germany) - Only meaningful if a list of sectors can be provided and clarity on what an intervention would be. A nominal list would be a more relevant output than an average. This should link with ongoing Division of Labour exercise (Netherlands, MCC/US) - Depends on comparative advantage and government lead (note there have been some issues in other countries) (DfID) - World Bank is not entitled to have silent partnerships (World Bank) 			
Conclusion	Indicator dropped. Reasons: (1) Mixed support only, (2) unresolved contextual issues			

B Harmonisation

Indicator	Reference	Rationale	Definition	Verification
B1 % of total missions that are joint (PD #10a)	Paris Declaration indicator #10a; G-JAS; G-HAP	Increasing the share of joint missions and reducing separate, duplicative missions reduces the transaction costs	Number of joint missions divided by total number of missions (PD definitions apply)	Donor self-reporting

Indicator	Reference	Rationale	Definition	Verification
<i>DPs comments</i>	<p>Priority: H (AfDB, Denmark, Switzerland MCC/US), M (Japan, World Bank), L (CIDA)</p> <ul style="list-style-type: none"> - Difficult to define & track (CIDA) - We could improve this indicator? (it is not because this is a PD indicator that we should consider it as the panacea: an EU mission on trade issue for instance can not be joint. I would believe that it is the same for security issues (EU)) - A definition of the term "mission" should be given (ex: does it include missions from head office DPs to Ghana / follow-up project missions in Ghana / missions of Ghanaian institutions abroad?). Furthermore, according to its objective (ex: financial assessment of a public company), a mission shall not be joint. The joint missions are possible only in case of multi-donor funded programme (AFD/France) - Suggest a measure of the use of Sector Working Groups as the mechanism of communicating with the GoG rather than individual donors dialoguing with the GoG (MCC/US) 			
Conclusion	Indicator maintained. PD definitions apply, minimal additional transaction costs (only for annualised figures)			
B2 % of donor analytic work that is coordinated (PD #10b)	Paris Declaration indicator #10b; G-JAS; G-HAP	Joint diagnostic reviews strengthen the ground of shared analysis and reduce transaction costs	Number of joint country analytic work divided by total number of country analytic work (PD definitions apply)	Donor self-reporting; PD survey
<i>DPs comments</i>	<p>Priority: H (AfDB, Denmark, Switzerland), M (Japan, World Bank), L (CIDA, AFD/France)</p> <ul style="list-style-type: none"> - Difficult to define & track (CIDA) - Define country analytical work (Denmark, AFD/France) 			
Conclusion	Indicator maintained. PD definitions apply, minimal additional transaction costs (only for annualised figures)			
B3 A common framework of allowances & per diems is agreed and increasingly practiced	G-JAS; G-HAP	The harmonisation of different parallel practices of DPs when paying allowances and per diems to GoG staff eliminates a source of injustice and frustration. When a revised GoG framework will be in place, the standards can be aligned.	Joint approach related to the payment of allowances/per diems is agreed and applied by DPs as an interim harmonisation until alignment to a revised GoG framework will be feasible.	Donor self-reporting; G-JAS review 2009
<i>DPs comments</i>	<p>Priority: M (AfDB, Denmark, Germany, Switzerland), M (World Bank), L (CIDA)</p> <ul style="list-style-type: none"> - Agreed and practiced by whom? (CIDA) - Clarify the structure of allowances and per diems for DPs and GoG (Denmark) - The common framework should be beforehand updated (dates from 2006) and subsequently based on automatic/periodic rate adjustments (AFD/France) - Compare with G-JAS review, there is no new common GoG framework, basis still 2006 (Germany) - Government has yet to come out with an approved per diem structure that DPs can align to. Also, it is often the case that NGOs/vertical funds do not conform to DP agreed structures and this creates distortions at the implementation level (Switzerland) - For monitoring purposes, could look at number of donors complying with framework with a target of having all donors comply with framework by x. Monitoring could be "yes compliant" or "no" - with "no" having to explain why (DfID) 			
Conclusion	Indicator dropped. Reasons: (1) weak support, (2) requires complex preparatory work. Would require joint working group GoG/DPs			

C Alignment

New indicator is suggested on external audits: # of external audits are undertaken by DPs outside Ghana Audit Service (Netherlands).

Indicator	Reference	Rationale	Definition	Verification
C1 % ODA to GoG disbursed using GoG PFM procedures (PD #5a)	Paris Declaration indicator #5a; PEFA; Ghana Aid Policy; Mozambique & Rwanda DP-PAF	When providing ODA to the government sector, the use of the GoG public financial management (PFM) systems strengthens the GoG's capacity to develop, implement and account for its PFM policies	% ODA disbursed to the government sector using public PFM systems in terms of budget execution procedures, financial reporting procedures, and/or auditing procedures (PD definitions apply)	Donor self-reporting; GoG; PEFA 2009; PD survey
<i>DPs comments</i>	<p><i>Priority: H (AfDB, Denmark, Switzerland, MCC/US), M (CIDA, World Bank), L (Japan)</i></p> <p><i>- Most ODA to GoG uses GoG systems; problematic is ODA bypassing GoG (CIDA)</i></p> <p><i>- We should separate the notion of budget execution procedures, financial reporting procedures and auditing (those three areas from country system are not always linked and therefore should be looked at separately to better capture where there is a gain of efficiency) (EU)</i></p> <p><i>- Indicator very broad. A careful analysis of this result will be necessary as this indicator includes different components (AFD/France)</i></p> <p><i>- These questions focus on use of country systems, a question would also be how successful DPs have been in using country systems (MCC/US)</i></p>			
Conclusion	Indicator maintained, splitting in accordance to PD to be considered			
C2 % ODA to GoG disbursed using GoG procurement systems (PD #5b)	Paris Declaration indicator #5b	When providing ODA to the government sector, the use of the GoG procurement systems strengthens the GoG's capacity to develop, implement and account for its procurement policies	% ODA disbursed to the government sector using public procurement systems (PD definitions apply)	Donor self-reporting; GoG; PEFA 2009; PD survey
<i>DPs comments</i>	<i>Priority: H (AfDB, Denmark, Switzerland), M (CIDA, World Bank), L (Japan)</i>			
Conclusion	Indicator maintained. Part of PD monitoring.			
C3 Number of DPs making use of GoG's monitoring & evaluation capacities	AAA; G-JAS	In order to strengthen national capacities to manage public resources for results, donors are supposed to use country M&E systems.	Number of DPs describing how they make use of country M&E systems	Donor self-reporting

Indicator	Reference	Rationale	Definition	Verification
<i>DPs comments</i>	<p>Priority: H (AfDB, CIDA, Denmark, Switzerland), M (World Bank), L (AFD/France, MCC/US)</p> <ul style="list-style-type: none"> - It is important to have common M & E capabilities (Denmark) - The notion of GoG M & E capacity should be better defined. Do we refer here only to the APR? To some extent all DP use GOG M & E capacity. But this does not mean this is self-sufficient (EU) - Not relevant. The GoG M & E system is not very clear in terms of leadership, except if we just take into account the APR? (AFD/France) - Needs clarification (Germany, Japan) - Not meaningful. Evaluation & monitoring take place in many different ways. It is unclear who should take the lead (NDPC, GSS, PPME at MDA-level, etc.). A more meaningful indicator could be: # of external monitoring & evaluation exercises undertaken by DPs not led by competent GoG authority (Netherlands, MCC/US) 			
Conclusion	Indicator maintained, possibly in a modified way (NL proposal)			
C4 Number of DPs sharing reasons why they do not use Ghana's PFM & procurement & M&E systems	AAA; G-JAS	In order to strengthen national capacities to manage public resources, donors are supposed to use country systems as their first option. Donors agreed to transparently state why they rely on aid delivery outside the country systems when they support activities managed by the public sector. This transparency is an incentive to improve	Number of donors informing their partners systematically on reasons why they do not use partner country systems in PFM, procurement and/or M&E.	Donor self-reporting
<i>DPs comments</i>	<p>Priority: H (AfDB, Denmark, Germany, DfID, Japan), L (CIDA, AFD/France, Switzerland, World Bank)</p> <ul style="list-style-type: none"> - We could change the indicator: Number of DP having explained officially to MOFEP why they are not in a position to use country system and what needs to be done to use them (EU) - EU proposal seems to be more appropriate (Japan) - The World Bank always describes PFM and M&E systems used for its operation (World Bank) 			
Conclusion	Indicator maintained, possibly slightly modified (EU proposal)			
C5 Number of parallel PIUs (project implementation units, PD #6)	Paris Declaration indicator #6; Ghana Aid Policy; G-JAS; G-HAP	PIUs undermine progress towards strengthening local capacity for planning, implementation, and accountability; short term gains in efficiency outweigh the long term implications of weakening local capacities.	Number of parallel project implementation units (PD definitions apply)	Donor self-reporting; PD survey
<i>DPs comments</i>	Priority: H (AfDB, Denmark, Switzerland), M (CIDA, Japan, World Bank)			
Conclusion	Indicator maintained. Part of PD monitoring.			
C6 % of ODA untied (PD #8)	Paris Declaration indicator #8; G-JAS; G-HAP	Untying ODA in line with the OECD-DAC recommendation 2001/08 increases aid effectiveness by getting better value for money and improving country ownership and alignment.	% of ODA that is untied (PD definitions apply)	Donor self-reporting; GoG; OECD-DAC

Indicator	Reference	Rationale	Definition	Verification
<i>DPs comments</i>	<i>Priority: H (AfDB, Denmark, Switzerland), M (CIDA, Japan), L (World Bank)</i> <i>- The process of untying ODA is not something that can be improved gradually. It is a question of changing financial regulation. Usually such decision is taken by HQ, not at local level (EU)</i> <i>- By constitution the World Bank cannot provide tied aid (World Bank)</i>			
Conclusion	Indicator maintained. Part of PD monitoring.			
C7 % of total ODA disbursed in support of PBAs (PD #9)	Paris Declaration indicator #9; G-JAS	Channelling ODA based on a partner's programme, using his systems, and co-ordinating with others involved increases aid effectiveness	% ODA disbursed in support of programme based approaches, built on Ghanaian leadership, a single programme and budget framework, harmonisation and alignment? (PD definitions apply)	Donor self-reporting; GoG; G-JAS Review 2009; PD survey
<i>DPs comments</i>	<i>Priority: H (CIDA, Denmark, Switzerland), M (AfDB, Japan), L (World Bank)</i> <i>- The concept of PBA is very broad and can be "catchall". A qualitative dimension would be more meaningful (AFD/France)</i> <i>- All World Bank operations are in support of program based approaches (World Bank)</i>			
Conclusion	Indicator maintained. Part of PD monitoring.			
C8 Number of donor missions violating GoG silent period	G-JAS; G-HAP; Rwanda & Mozambique DP-PAF	In order to concentrate its capacities on budget preparation, the GoG declares a number of weeks as mission free silent period	Number of missions during GoG's declared silent period mid-September – mid-November in year assessed; of which agreed mission with a GoG waiver	Donor self-reporting; GoG
<i>DPs comments</i>	<i>Priority: H (CIDA, Denmark, Germany, Japan), M (AfDB, Switzerland), L (World Bank)</i> <i>- Definitional issues (CIDA)</i> <i>- "Mission" has to be defined (Germany)</i> <i>- Significant to keep this indicator which is not part of the PD (Japan)</i> <i>- All missions are approved by GoG (World Bank)</i>			
Conclusion	Indicator maintained. "Mission" to be defined in line with indicator B1 & PD10a respectively.			
C9 % of DPs delegating greater authority to country level	Vietnam HCS Matrix; CIDA's Aid Effectiveness Action Plan	The decentralisation of donor structures to the country level facilitates contextualised decision making and alignment	Number of DPs describing concrete steps for further delegation of authority to country level during the year assessed	Donor self-reporting

Indicator	Reference	Rationale	Definition	Verification
<i>DPs comments</i>		<p>Priority: H (AfDB, Denmark), M (CIDA, World Bank), L (AFD/France, Germany, MCC/US, Switzerland)</p> <ul style="list-style-type: none"> - Greater than what? Penalizes those having already a higher level of delegated authority (CIDA) - The indicator should better defined. For instance, the EU is already substantially deconcentrated and no further steps for further delegation is needed (or foreseen). With the proposed definition for this indicator, the fact the EU will not take additional steps for further delegation could be perceived negatively (EU) - Not relevant. It goes beyond the resident cooperation decision and in addition it is not a criterion of quality or alignment improvement (AFD/France) - This indicator is only capturing the progress of DPs and agencies delegating authority to country level but not the degree to which this has already happened in the past. Those DPs that have that have already gone through a decentralization process in the past will not be able to report progress (Germany) - Not meaningful. This is typically a HQ discussion and this can only be addressed in a meaningful way at international forums and through bilateral discussions at HQ-level (Netherlands, MCC/US) - Is this really something that should be measured at the country-level? Surely it is a headquarter issue and thus dealt with through OECD-DAC? (Switzerland) 		
Conclusion		Indicator dropped. Reasons (1) mixed support, (2) difficulty to define an optimal level of decentralisation, replacing the progress formula. HQ role cannot be a valid argument against inclusion of indicator		

D Predictability

Indicator	Reference	Rationale	Definition	Verification
D1 % ODA to GoG delivered in the year for which it was scheduled (PD #7)	Paris Declaration indicator #7; PEFA; Mozambique & Rwanda DP-PAF	The GoG needs to plan and to optimise allocation of resources within and across sectors. DPs facilitate such efforts by providing reliable indicative commitments of aid and disbursing aid in a timely fashion according to agreed schedules in order to arrive at in-year predictability of aid flows to the government sector.	% ODA to the GoG disbursed in the year for which it was scheduled (PD definitions apply)	Donor self-reporting; GoG

Indicator	Reference	Rationale	Definition	Verification	
<i>DPs comments</i>	<p>Priority: H (AfDB, CIDA, Denmark, Switzerland, MCC/US, World Bank), L (Japan)</p> <ul style="list-style-type: none"> - GoG should provide figures of GoG recorded receipts (Denmark) - % ODA to GoG delivered in the year for which it was scheduled. In average? In average per project? In average per budget line within a project? In comparison with what has been recorded in the budget statement or in comparison with data forecast communicated to MOFEP? (EU) - Relevant but the responsibility for delays is usually shared with GoG (AFD/France) - Not fully meaningful. The indicator will not bring out relevant info for a discussion. Reasons for divergences between schedule and delivery are manifold (ref. SPA budget support survey for a relevant breakdown). Therefore, one had better collect underlying causes of non-disbursement instead of a gross and meaningless percentage (Netherlands) - Dependent on the strengthening of GoG's handling of DPs disbursement/indicative data (Switzerland) - Could distinguish this into two indicators to create more transparency: (a) donor commitments compared to actual disbursement - to be collected from donors (b) donor commitments compared to what government recorded as disbursed - collected from Government (DfID) 				
Conclusion	Indicator maintained. Part of PD monitoring. Concerns can be taken up by the space offered for DPs comments on the values for each indicator.				
D2	% of ODA to GoG delivered through multi-year binding agreements of at least three years.	AAA; Rwanda DP-PAF	Improved medium-term predictability of ODA facilitates to effectively plan and manage development resources by the GoG	% of ODA to GoG delivered through multi-year binding agreements of at least three years	Donor self-reporting; GoG
<i>DPs comments</i>	<p>Priority: H (AfDB, CIDA, Germany, Switzerland), M (Denmark), L (World Bank)</p> <ul style="list-style-type: none"> - Planned to be integrated in DAC 2011 (Germany) - Ok as long as it is non-binding (DfID) - Predictability needs to be balanced against flexibility (World Bank) 				
Conclusion	Indicator maintained.				
D3	Number of donors providing non-binding indication of sector specific future ODA to GoG covering at least 3 years ahead, on a rolling basis and according to GoG fiscal year.	Ghana Aid Policy; AAA; Rwanda DP-PAF	Improved medium-term predictability of ODA facilitates to effectively plan and manage development resources by the GoG	Number of donors providing non-binding, sector specific indications of ODA to GoG covering at least 3 years ahead, on a rolling basis and according to GoG fiscal year.	Donor self-reporting; GoG
<i>DPs comments</i>	<p>Priority: H (Germany, Japan), M (AfDB, CIDA, Denmark, World Bank), L (Switzerland)</p> <ul style="list-style-type: none"> - What is the relevance of this indicators if it is non binding ? (EU) - Not very clear, needs clarification (AFD/France) - Planned to be integrated in DAC 2011 (Germany) - Number of DPs is more important than size of portfolio (Japan) - Size of portfolio seems more relevant than the number of DPs (Netherlands) - What is the relevance of including 'non-binding' indications? (Switzerland) - Not possible at present for DFID to provide 3 year rolling commitments on budget support given way our financial framework is agreed (fixed 3 year period) (DfID) 				

Indicator	Reference	Rationale	Definition	Verification
Conclusion	Indicator maintained, option to modify it along NL proposal			

E Transparency

Indicator	Reference	Rationale	Definition	Verification
E1 Number of DPs providing timely info on all ODA disbursements to GoG along the lines of GoG budget classification	ODI 2010	Public reporting on ODA disbursements along the GoG's budget classification is an important step of alignment, facilitating domestic accountability of the GoG to the parliament and civil society	Number of DPs providing timely info on all ODA disbursements to GoG along the lines of GoG budget classification	Donor self-reporting; GoG; PEFA 2009; DPs websites
<i>DPs comments</i>	<p><i>Priority: H (Germany, World Bank), M (AfDB, CIDA, Switzerland), L (Denmark, MCC/US)</i></p> <ul style="list-style-type: none"> - <i>Current problem is inadequate template: lack of definitions and poor organisation of reporting process by GoG (CIDA)</i> - <i>Unclear question – what is GoG budget classification. GoG to attest whether disbursements timely (Denmark)</i> - <i>How is timely defined? (EU)</i> - <i>We provide quarterly disbursement info regularly. Clarification about the “lines of GoG budget classification” and whether the info provided is needed (Germany)</i> - <i>The current budget classification (of items 1-4) make it difficult to align disbursement information. It has been suggested by the IMF that this be amended to a programme/sub-programme/output approach, but nothing in place at the moment (Switzerland)</i> 			
Conclusion	Indicator dropped. Reasons (1) mixed support, (2) requires complex preparatory work. Would require joint working group GoG/DPs			
E2 Number of DPs making public all conditionalities to their disbursements	AAA	Evidence based policy making tells us that imposed conditionality is largely ineffective whereas agreed conditionality based on national priorities can become a driver of reform. Making all conditionalities to disbursements public is a prerequisite for accountability and change	Number of DPs making public all conditionalities to their disbursements	Donor self-reporting; GoG; DPs websites

Indicator	Reference	Rationale	Definition	Verification
<i>DPs comments</i>	<p>Priority: H (AfDB, Denmark, Germany, World Bank), M (Japan), L (CIDA, Switzerland)</p> <ul style="list-style-type: none"> - Contractual agreements are not made public (CIDA) - Pls. define "conditionality". In this response conditionality is understood as stipulations, or provisions, that need to be satisfied for development assistance to proceed. It could include preconditions for assistance or conditions developed ongoing in the development assistance process. Focus is on formal conditions for support provided in writing, e.g. in agreements, but not practical conditions, e.g. availability of bank accounts, etc. (Denmark) - The notion of conditionality should be clarified. We could rather propose an indicator measuring the number of DPs making public their Financing Agreement (or the subsequent document where we should find "conditionality") (EU) - Please compare G-JAS review 2.2 – and specify the definition of „conditionalities“ in this context (Germany) - A distinction is needed to understand the relevance of this indicator (1) Number of DPs making known all conditionalities to their disbursements to GoG (hence one could count contracts under which new conditions were included after signature); (2) Number of DPs making public (e.g. through internet) all conditionalities to their disbursements (Netherlands, MCC/US) - Surely there is also some responsibility of the GoG in this respect. Do they want all 'conditionalities' made public? (Switzerland) 			
Conclusion	Indicator to be replaced by EU proposed formula			
E3 Number of DPs having signed up to IATI (International Aid Transparency Initiative)	AAA; CIDA's Aid Effectiveness Action Plan	Transparent aid relations are key to enhance aid effectiveness and donor accountability. IATI is a child of the Accra HLF 2008 to take the AAA commitments in aid transparency forward. Signing up to IATI signals the political will to contribute and adhere to voluntary standards of transparency.	Number of DPs having signed up to IATI (International Aid Transparency Initiative)	Donor self-reporting; IATI website
<i>DPs comments</i>	<p>Priority: H (AfDB, Germany, DfID), M (Switzerland, World Bank), L (Denmark, Japan), ? (CIDA)</p> <ul style="list-style-type: none"> - Data should be directly collected from IATI (Denmark) - Redundant with E2. If this indicator is selected, then a similar indicator should also concern the signature of the Paris Declaration (AFD/France) - HQ discussions, not helpful for in-country work (Germany) - Not sure whether this indicator provides clarity to GoG about how DPs perform in terms of transparency - Irrelevant, since this is a HQ issue and cannot be meaningfully influenced by in-country agencies. Furthermore, E3 is redundant with respect to E2 (Netherlands, MCC/US) - Fully support inclusion of this indicator (DfID) 			
Conclusion	Indicator maintained. HQ role cannot be a valid argument against inclusion of indicator			

F Capacity

Indicator	Reference	Rationale	Definition	Verification
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Indicator	Reference	Rationale	Definition	Verification
F1 % of TC provided through coordinated programmes consistent with national priorities (PD #4)	Paris Declaration indicator #4; G-JAS	Capacity development (human, organisational and broader institutional capacity) is the responsibility of partner countries with donors playing a support role. The effectiveness of technical cooperation can be enhanced by aligning to national efforts under GoG leadership and coordinating with other DPs.	% of TC provided through coordinated programmes consistent with national priorities (PD definitions apply)	Donor self-reporting; GoG; PD survey
<i>DPs comments</i>	<p><i>Priority: H (AfDB, Japan, Switzerland), M (Denmark), L (CIDA, World Bank)</i></p> <ul style="list-style-type: none"> - <i>Negative self-reporting hard to imagine, use of common mechanism for funding GoG capacity building might be better indicator (CIDA)</i> - <i>Important but difficult to measure technical cooperation. It should be defined (Denmark)</i> - <i>The PD indicator says that "country authorities (government or non-government) communicated clear capacity development objectives as part of broader national or sector strategies" This indicator suggests therefore that as a first step GOG should define its capacity development objectives (EU)</i> - <i>important indicator, underlines complementarity of project and programme support (Japan)</i> - <i>Can an indicator measure the success DPs are having in capacity building? (MCC/US)</i> - <i>Technical cooperation is embedded in all investment operations (World Bank)</i> 			
Conclusion	Indicator maintained. Part of PD monitoring.			
F2 Number of DPs providing capacity development based on sector plan	Ghana Aid Policy; G-JAS; G-HAP	The sectors play a crucial role in Ghana's development efforts. Capacity development based on a sector plan is an opportunity to improve the frequently fragmented external support.	Number of DPs providing capacity development based on sector plan	Donor self-reporting; GoG
<i>DPs comments</i>	<p><i>Priority: H (AfDB, Switzerland), M (Denmark, Germany), L (CIDA, World Bank)</i></p> <ul style="list-style-type: none"> - <i>Capacity building is part of every initiative, not necessarily organised along sector lines (CIDA)</i> - <i>Assume that capacity building based on sector plan qualify (even if this sector plan has no capacity building strategy)? (Denmark)</i> - <i>This suggests the existence of a comprehensive capacity development sector plan as a prerequisite (EU)</i> - <i>Can only be answered if a comprehensive sector plan exists or the number of sectors having these plans is defined (Germany, Switzerland)</i> - <i>Only meaningful if one would add how many TC sector plans are in place (Netherlands)</i> - <i>Might this indicator be better if read: '% of overall capacity development which is based on sector plans'? I am assuming Government would like to see capacity building increasingly based on sector plans here. Or does Ghana have an overall national capacity development plan to which capacity building needs to be aligned? (DfID)</i> - <i>Sector plans not available (World Bank)</i> 			
Conclusion	Indicator dropped. Reason (1) mixed support, (2) requires substantial preparatory work. Would require joint working group GoG/DPs			

If area F “Capacity Building” is reduced to 1 indicator, F1 should be integrated in the area 5.3 “Harmonisation” as additional indicator B3.

G MDBS-related indicators

The DP-PAF should not correlate with MDBS (to include a greater audience than just MDBS DPs). Yet there is still an apparent link in the matrix between both (8 indicators). We are consequently not in favour of maintaining these indicators relative to MDBS (AFD/France)

G1-G4 not applicable because of in-year disbursements (AfDB, World Bank)

Indicator	Reference	Rationale	Definition	Verification
G1 % of MDBS DPs providing indicative commitments for BS in year n+1 to GoG within 4 weeks of end of MDBS AR in year n	Mozambique & Rwanda DP-PAF	Predictability of GBS is essential for the GoG to establish a budget. Timely indicative commitments permit a sound start of the budget process.	% of MDBS DPs providing indicative commitments for BS in year n+1 to GoG within 4 weeks of end of MDBS Annual Review in year n	Donor self-reporting; GoG
<i>DPs comments</i>	<i>Priority: H (AfDB, Denmark, Germany), M (CIDA), L (Switzerland, World Bank)</i> <i>- Not a problem area (CIDA)</i> <i>- Provide dates of submission of budgets to parliament, DPs have different dates (Denmark)</i> <i>- clarification: indicative numbers were provided after the finalisations of the MDBS assessments – which means after the reassessments if there was one (Germany)</i> <i>- This has been carried out as a joint communication from the MDBS core group covering all MDBS DPs (Switzerland)</i> <i>- G1 and G2 similar, to be reviewed (AfDB)</i>			
Conclusion	Indicator dropped. Differentiation between indicative and firm commitments not applicable. Submission to parliament as in G2 is more important for the GoG than the timing of the MDBS review as referred to in G1.			
G2 % of MDBS DPs providing firm commitments for BS in year n+1 to GoG at least 4 weeks before GoG budget submission to parliament in year n	Rwanda DP-PAF	Predictability in the sense of firm commitments for GBS is essential for the GoG to submit a budget to parliament in time	% of MDBS DPs providing firm commitments for BS in year n+1 to GoG at least 4 weeks before GoG budget submission to parliament in year n	Donor self-reporting; GoG; PEFA 2009

Indicator	Reference	Rationale	Definition	Verification
<i>DPs comments</i>	<i>Priority: H (Denmark, Germany, Switzerland), L (AfDB, CIDA, World Bank)</i> <i>- Distinction between indicative and firm commitment not defined, not necessarily a problem area (CIDA)</i> <i>- Provide dates of submission of budgets to parliament, DPs have different dates (Denmark)</i> <i>- Multiple entry / why do we need the difference between indicative and firm? (Germany)</i> <i>- I don't see the difference between 'indicative' and 'firm' commitments. DPs can assess the underlying principles/holistic assessment right up until the time of disbursement, so 'firm' commitments don't seem relevant (Switzerland)</i>			
Conclusion	Indicator maintained. See also conclusion on G1.			
G3 % of BS disbursed within the first quarter of the GoG fiscal year	Rwanda DP-PAF	Frontloading of BS disbursements reduces the need of the GoG to look for other and more costly sources of funding	% of BS disbursed within the first quarter of the GoG fiscal year	Donor self-reporting; GoG
<i>DPs comments</i>	<i>Priority: H (CIDA, Germany, Japan, Switzerland), L (AfDB, Denmark, World Bank)</i> <i>- FM calls for four months (CIDA, Netherlands)</i> <i>- Repetition from A2? (Denmark, Germany)</i> <i>- Need to add the following : If all condition were fulfilled, how much of it was disbursed within the first quarter of the GoG's fiscal year? (EU)</i> <i>- Reasons for late disbursements often found in GoG procedures (Germany)</i> <i>- It is stated in the Framework Memorandum that disbursements should be made in the first 2 quarters. Is this not a repetition of A2? (Switzerland)</i>			
Conclusion	Indicator maintained, to be modified (replace first quarter by first four months)			
G4 % of BS disbursed according to quarterly disbursement schedule agreed with GoG.	PEFA; Mozambique & Rwanda DP-PAF	Predictability of in-year disbursements facilitates PFM by the GoG.	% of BS disbursed according to quarterly disbursement schedule agreed with GoG.	Donor self-reporting; GoG; PEFA 2009
<i>DPs comments</i>	<i>Priority: L (AfDB, CIDA, Denmark, Switzerland, World Bank)</i> <i>- Is there a quarterly disbursement schedule? (CIDA, EU)</i> <i>- Most disbursements made in one tranche (Switzerland)</i> <i>- Indicator needs clarification, relation to G3? (Germany)</i>			
Conclusion	Indicator dropped. Reasons: lack of support, not applicable in Ghana			
G5 Full conformity of bilateral agreements with MDBS FM	Mozambique DP-PAF	The MDBS FM is a non-binding but comprehensive understanding among signatories how GBS is to be delivered, thereby gaining strategic ground and reducing transaction costs. Any exceptions to that common framework should be avoided.	Number of DPs with bilateral agreements being fully conform with the MDBS FM	Donor self-reporting; GoG
<i>DPs comments</i>	<i>Priority: H (AfDB, CIDA, Germany), M (World Bank), L (Denmark, , Japan, Switzerland)</i>			
Conclusion	Indicator maintained			

Indicator	Reference	Rationale	Definition	Verification
G6 % of MDBS DPs adhering fully to common GBS conditionality (PAF)	AAA; Mozambique & Rwanda DP-PAF	Harmonising around an agreed performance assessment framework (PAF) with targets and triggers of strategic relevance strengthens the focus on results, increases the likelihood of successful reforms, and reduces transaction costs. Each departure from this limited set of common conditionality is a move in the opposite direction.	% of MDBS DPs adhering fully to common GBS conditionality (PAF)	Donor self-reporting; GoG
<i>DPs comments</i>	<i>Priority: H (AfDB, CIDA, Denmark, Germany, Japan, Switzerland), M (World Bank)</i> <i>- if there is no harmonisation, the legitimacy of the PAF is jeopardized (Japan)</i> <i>- The difficulty to flexibly adjust the PAF to emerging policy priorities might make adherence to PAF sub-optimal from an aid effectiveness perspective (World Bank)</i> <i>- Replace 'conditionalities' with 'jointly agreed targets and triggers' (Switzerland)</i>			
Conclusion	Indicator maintained, modified by Swiss proposal to specify "conditionality" as "targets and triggers".			
G7 Number of DPs taking into account opinions beyond the IMF on the macroeconomic status of the country before taking MDBS disbursement decisions	Interviews	The MDBS FM mentions "sound macroeconomic policies and management" as one of the underlying principles of cooperation, and the assessment of satisfactory macroeconomic performance is to be guided by an IMF instrument or arrangement. However, other sources of macroeconomic knowledge can be tapped as well: GoG/Bank of Ghana judgment, independent opinions, the MDBS macroeconomic working group. A mechanistic link of DP's MDBS disbursements to the "seal of approval" by the IMF disregards potentially divergent assessments	Number of DPs taking into account opinions beyond the IMF on the macroeconomic status of the country before taking MDBS disbursement decisions	Donor self-reporting; GoG; IMF

Indicator	Reference	Rationale	Definition	Verification
<i>DPs comments</i>	<i>Priority: H (AfDB, Denmark, DfID), M (Germany), L (CIDA, Japan, Switzerland, World Bank)</i> <i>- Is the implication that IMF macroeconomic assessments are inadequate? (CIDA)</i> <i>- IMF is the key element for the macro assessment, but not necessarily the exclusive one (Germany)</i> <i>- Rationale lacks how this links to measure DP performance (Japan)</i> <i>- This indicator is not very meaningful, since it does not pre-empt what other sources should be used, and what conclusion could be drawn. As far as I can see no DP would formally require IMF opinions, but in practice, a clearly negative opinion will make it difficult for many DPs to firm up their file (and this might also lead to additional bilateral missions to firm up data) (Netherlands)</i> <i>- Good indicator – this issue was also highlighted by the Joint Evaluation of Budget Support (DfID)</i> <i>- The World Bank is required to make its own assessment (World Bank)</i>			
Conclusion	Indicator maintained			
G8 Number of DPs pursuing coherent trade & development policies	Interviews	Development and aid effectiveness can be seriously hampered by inconsistent policies, particularly in the trade area with tariff barriers for imports from Ghana, trade distorting subsidies, and/or other obstacles. On the other hand, coherent trade and development policies are of great relevance for Ghana's economy.	Number of DPs pursuing coherent trade & development policies, mainly assessed by a Commitment to Development Index of 6 and higher in the trade domain	CGD Commitment to Development Index (trade domain); donor self-reporting; GoG
<i>DPs comments</i>	<i>Priority: M (AfDB), L (CIDA, Denmark, EU, Germany, Switzerland, World Bank)</i> <i>- Assessment criteria not specified, requires detailed analysis (CIDA)</i> <i>- Too broad for meaningful response (Denmark)</i> <i>- Interesting for HQ discussions not for in-country approaches (Germany)</i> <i>- Not meaningful for in-country discussions, since cannot be changed at country-level (Netherlands)</i> <i>- Don't understand the singling out of MDBS; if trade policies were inconsistent with MDBS, then that would be true for a whole bilateral aid portfolio (Switzerland)</i> <i>- The World Bank has no trade policy. There is no mention of DPs trade policy in the MDBS Framework Memorandum (World Bank)</i>			
Conclusion	Indicator dropped. Reasons: (1) weak support, (2) coherence is not an MDBS specific issue. Can be considered as an element in the qualitative dimension of the partnership (area H, chapter 5.9)			

H Partnership

The partnership section was positively commented upon by respondents:

- The qualitative aspect may be the most useful in that it will highlight the areas of progress and concern without getting overly bogged down in definitions and data collection (CIDA)
- This area I think is critical for really getting to assessing how DPs are performing which can only be successful if the partnership performs well (MCC/US).

Among the indicators dropped, two of them (A4 on domestic accountability, and G8 on coherence of ODA and trade & other economic policies) cover important topics which will be better accessible in qualitative than in quantitative terms. In that way the proposal for section H on partnership should be reformulated. The revised proposal:

Evaluation of Progress in the Development Partnership
(please, present your analysis and give concrete examples)

H1 What is your opinion regarding the following issues involving the GoG-DP-partnership	In 2010 relative to (1) 2008/09, and (2) over the longer term (5 years, 2005/2010)
Areas of development partnership that have recorded significant improvement...	
Areas that are lagging behind and need significant improvement...	
What could have or still can be done to value progress and address the areas lagging behind (lessons for the future)	

Challenges ahead regarding the development partnership in Ghana

H2 What is your opinion about challenges for the DPs with respect to....	(1) Identification & analysis of the challenge, (2) concrete examples, (3) how to deal with it
...aid volumes and portfolio composition	
...predictability & use of national systems	
...capacity development	
...policy dialogue	
...coordination amongst donors	
... delegation of authority to country level	
...coherent ODA & trade & other policies	
...Ghana Aid Policy	
...domestic accountability of the GoG	
...domestic accountability of the DPs	
...any other challenges you may identify	

Feedback on the assessment of the DP-PAF

H3 With respect to this independent assessment of the DP-PAF, what is your opinion about...	General comments and concrete examples
Positive aspects of the assessment	
Problems with the assessment	
Suggestions about DP-PAF indicators and procedures that should be reviewed for the future	
Suggestions about DP-PAF assessment procedures that should be reviewed for the future	
Any other feedback or suggestions	

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Annex 5: Draft ToR for DP-PAF assessment 2011

Assessment of the Performance of Development Partners in Ghana 2010 (DP-PAF)

1. Background

As agreed in the 2005 Paris Declaration on Aid Effectiveness (PD) and subsequently emphasised in the 2008 Accra Agenda for Action (AAA), development partners (DPs) and partner developing countries must step up efforts to ensure that mutual assessment reviews aid relations and their effectiveness and efficiency are in place by 2010 in all countries that have endorsed the Declaration. These reviews are to be based on country results reporting and information systems, complemented with available donor data and *credible independent* evidence. They are to also draw on emerging good practice with stronger parliamentary scrutiny and citizen engagement. These reviews are to be used to hold DPs and partner countries accountable to each other for mutually agreed results in keeping with country development and aid policies.

In view of mutual assessment reviews at country level, DPs are expected to provide timely, transparent and comprehensive information on aid flows so as to enable partner authorities to present comprehensive budget reports to their legislatures and citizens. Partner countries, on the other hand, are to strengthen, as appropriate, the parliamentary role in national development strategies and/or budgets. Additionally, they are required to reinforce participatory approaches by systematically involving a broad range of development partners when formulating and assessing progress in implementing national development strategies. Furthermore, partner countries and donors are required, under the Declaration, to jointly assess, through existing and increasingly objective country level mechanisms, mutual progress in implementing agreed commitments on aid effectiveness, including the Partnership Commitments (Indicator 12 of the PD).

In Ghana, the need for a framework of mutual accountability to assess GoG-DP aid relations has been agreed by both parties and documented, for example in the Ghana Harmonisation Action Plan (G-HAP). However, as indicated in the draft Ghana Aid Policy (2009-2015), there is currently significant asymmetry in the accountability of aid to Ghana. While GoG is accountable to DPs through numerous reporting arrangements, there is no formal mechanism to adequately ensure DPs' accountability to GoG and the people of Ghana. The idea gained ground to develop a Performance Assessment Framework (PAF) to be used by the GoG to assess the performance of Development Partners (DPs). From the start it was also agreed that the DP-PAF would be applied not only to MDBS DPs, but extended to other bilateral donors including non-traditional DPs. To ensure legislative backing and improve country ownership and leadership in the crafting and implementation of the DF-PAF, the Minister of Finance and Economic Planning stated in his 2010 Budget Speech to Parliament in November 2009 that the GoG would take steps to formulate a

“Progress Assessment Framework to assess the performance of our development partners”.

The DP-PAF has been developed in an iterative process and was endorsed at the Consultative Group Annual Meeting 2010. It consists of five areas (portfolio, harmonisation, alignment, predictability, transparency, and a subset of MDDBS-related indicators). In addition there is a more qualitative oriented partnership section. The chronology, rationale and baseline for 2008/09 of the DP-PAF and its indicators are described in detail in the baseline report, written by a team of two independent consultants.

2. Objectives

The main objective (part 1 of the report) is to provide an independent review of individual and collective DPs performance in 2010 against the commitments and indicators set out in the DP-PAF matrix and compared with the 2008/09 baseline of performance set out in the study by Samuel Nii-Noi Ashong and Richard Gerster.

Two related objectives (part 2 of the report) for the consultant will be:

- To propose an updated DP-PAF matrix. This implies identifying new targets for the outer years 2011-2013. Individual donor contributions against those aggregated commitments should also be identified. The team should also make suggestions for improving the DP-PAF matrix including the partnership area.
- To recommend possible improvements in the process of monitoring DPs performance and the dialogue platform.

3. Expertise requirements for the consultant

The “consultant” in these TOR is understood as being a Ghanaian institution which can ensure a professional execution by one or several individuals.

The consultant combines

- A strong general background on aid effectiveness, in particular regarding the PD-, the AAA-agenda and the upcoming High Level Forum 2011;
- Solid information of the debate on programme and project aid, on the use of country systems and capacity development;
- Good experience with the different approaches and working modes of DPs, ideally also knowledge about non-traditional DPs;
- Intimate knowledge of Ghanaian institutions on the Government side, of parliament and CSOs.

4. Methodology

Based on the DP-PAF and the baseline report, the consultant develops a questionnaire. He takes into account parallel efforts in the first half of 2011, in particular the evaluation of the Paris Declaration.

Based on the feedback he gets from respondents to the questionnaire, he makes interviews with the GoG (MOFEP and selected MDAs), DPs including the IMF, the Parliament (Committee of Finance), and informed CSOs. The interviews are to validate figures and findings, to identify divergent perceptions and to benefit from the knowledge of stakeholders to improve the aid partnership and the DP-PAF assessment in future.

The consultant prepares a draft report, including the proposed update for the DP-PAF, based on the returned questionnaires and the interviews. He presents his findings and discusses the draft report at a platform determined by the mandating agency.

Taking into account the contents of the feedback, the draft report is revised and delivered at the time agreed.

The consultant

- takes note of any initiatives he may come across as regards assessments of DPs performance at the sector or regional level;
- Will have selected interviews with not (yet) involved, in particular non-traditional DPs, based on support from the GoG, to identify reasons of disinterest and to contribute to better information on the Ghana Aid Policy and their implications.

The consultant strives for maximum objectivity in terms of fact finding. As it is an independent assessment of different actors and perspectives, the consultant takes up opinions he shares while also mentioning important divergent views. When proposing targets, he pays attention to their feasibility.

The total number of working days will be 60 for the consultant. (In later years, a reduction of this number can be considered).

5. Deliverables

Before starting the review, the consultant and the mandating agency (GoG) agree on a detailed workplan.

The consultants will

- Deliver a draft report (part 1 & 2), at the agreed date, in 20 hard copies as well as electronically;
- Be available for a briefing and discussion of the draft report (likely at the MDDBS AR and the CG AM, and/or on a third occasion);
- Deliver a final report (part 1 & 2) in three hard copies and a soft copy.

6. Timetable

The schedule of the DP-PAF assessment is determined by having its findings ready for discussion at the CG Annual Meeting in June 2011.

11-2010 MOFEP, in consultation with DPs, has secured funding and takes decision on who will execute the mandate.

- 01-2011 The procedure, in particular this timetable, is fine tuned by the consultant with the GoG and the DPs taking into account the Paris Declaration evaluation and eventual other forthcoming parallel efforts.
- 01-2011 The questionnaire is drafted and distributed
- 02-2011 The questionnaire is filled by DPs
- 03-2011 Interviews with DPs, GoG (MOFEP, MDAs) and other stakeholders take place; validation of DP-figures by MOFEP
- 04-2011 The draft DP-PAF assessment report is delivered
- 05-2011 The MDBS Annual review takes note and discusses findings and recommendations on the subset of MDBS-related indicators in the DP-PAF, and sets target values for 2011 - 2013
- 06-2011 The CG Annual Meeting takes note and discusses the findings and recommendations of the DP-PAF assessment and sets target values for 2011 - 2013
- 07-2011 The final DP-PAF assessment report is delivered and put into the public domain

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