



Donor Performance Assessment Framework (DPAF) FY 2010/2011 Preliminary results

**External Finance Unit
Ministry of Finance and Economic Planning**



Presentation Content

- ▶ Aggregate DPAF Results
- ▶ Individual DPAF Results
- ▶ Way Forward



Preliminary Draft DPAF Results

- ▶ Coverage: 15 DPs participated in the assessment. 14 UN agencies participated in the assessment.
- ▶ Total ODA under DPAF assessment – **USD 955 Million** increased from USD 937 Million. DPAF FY 2010/2011 based on ODA to Government Sector.
- ▶ General Trend: Transformation of ODA portfolio observed by several DPs, however in general, the share of Budget Support reduced slightly from 36% to 33%).
 - ▶ The proportion of DBS in EC portfolio higher (82%), with UK/DFID continued to top the list (85%). World Bank's DBS portfolio at 62%.
 - ▶ Some of the GBS disbursement and SBS disbursement were not made as it was planned (delayed and some not at all).
- ▶ DPAF results preliminary, pending further verification.



Preliminary Draft DPAF Results

Limitation of DPAF preliminary results

- ▶ **Predictability Indicators:** Not assessed at this point time due to public account information not yet available. DAD strengthening not yet fully implemented to capture “timely” commitment and projection information.
- ▶ Timeliness of reporting and responsiveness – affect the quality of DPAF.
- ▶ Division of Labour (DoL) assessment – quality of DAD reporting on sector affects this baseline setting. A baseline will be set after quality assurance process to follow.
- ▶ **Commitment information reporting in the DAD** remain a challenge. DAD new strengthened feature to be introduced before the end of this year (2011), which will enable DAD to capture “timely” commitment information in line with GoR’s FY.
- ▶ However, DPAF FY 2009/2010, PD Survey 2010, and DPAF FY 2010/2011 use the methodology of splitting commitments into half to allow for the assessment on predictability.



Aggregate DPAF Results



Aid on Budget

Results Area	Indic		2007 Baseline	FY 09/10 Actual	FY10/11 Target	FY10/11 Actual
A. Financing national strategies in support of the MDGs and Vision 2020	A1	Volume of ODA on-budget (RWF)	192,913,125,382	364,378,069,542	Continued increase	325,271,060,617
	A2	% ODA recorded in the national budget (PD indicator 3) (ratio inverted where % disb > % budgeted)	52%	67%	100%	58%
	A3	% ODA for GoR sector delivered by GoR agencies			75%	65%

- ▶ In nominal terms, there has been reduction in the volume of ODA captured in the GoR budget since FY 2009/2010.
- ▶ There has been aggregate level reduction of % of ODA on budget.
 - ▶ 10 out of 15 partners see the reversal in their performance (some associated with non-disbursement of planned budget support, some associated with project aid not being on budget).
- ▶ **No considerable changes in terms of execution modality – remaining at 65% of ODA for GoR sector delivered by GoR agencies.**



Use of national Systems and Institutions for strengthened ownership, sustainability and reduced transaction costs

Results Area	Indic		2007 Baseline	FY 09/10 Actual	FY10/11 Target	FY10/11 Actual
B. Use of national systems and institutions for strengthened ownership, sustainability and reduced transaction costs	B1	% ODA disbursed in the context of a PBA (PD indic 9)	39%	48%	67%	67%
	B2	% ODA disbursed using GoR budget execution procedures (PD indic 5a)	41%	40%	59%	37%
	B3	% ODA disbursed using GoR auditing procedures (PD indic 5a)	41%	53%	59%	46%
	B4	% ODA disbursed using GoR financial reporting systems (PD indic 5a)	43%	57%	59%	59%
	B5	% ODA disbursed using GoR procurement systems (PD indic 5b)	43%	63%	66%	60%
	B6	Number of parallel PIUs (PD indic 6)	41	31	14	28
	B7	% of TC provided through coordinated programmes (PD indic 4)	84%	94%	Maintain or improve	93%



Use of national Systems and Institutions for strengthened ownership, sustainability and reduced transaction costs

- ▶ Use of PBAs meeting target
 - ▶ Different DPs and Sectors apply the criteria/conditions for PBAs differently. Therefore, not comparability across DPs
 - ▶ Results indicate significant improvement from 48% to 67%, but remains unclear as to what extent this significant improvement can be substantially supported.
 - ▶ Needs to focus on its functions and effectiveness beyond having MoUs.
- ▶ Use of Country Systems (execution, reporting, and auditing) seen some improvement and reversal of trend
 - ▶ Use of budget execution limited to Budget Support, Basket Funds, and project funds that are on budget and do not require opening a separate bank account. Reduction of Budget Support has led to reversal in trend.
 - ▶ Use of audit procedure also seen reversal – mostly due to reduced budget support.
 - ▶ Use of financial reporting procedure improved slightly, and meeting target barely.
- ▶ Use of procurement also reduced slightly from 63% to 60%, not meeting target of 66%, despite some DPs have improved their performance.



Use of national Systems and Institutions for strengthened ownership, sustainability and reduced transaction costs

- ▶ **Parallel PIUs** – aggregate number of 28 reported by GoR. No significant changes observed since DPAF FY 2009/2010. This indicator expects to see 0 by the end of next year as the SPIUs increasingly manage projects previously managed by PIUs.
- ▶ **Coordinated Technical Cooperation**
 - ▶ Remains at high level (93%). However, different DPs apply the conditions differently.
 - ▶ Comparability across DPs as well as the credibility of the result remains a challenge.
 - ▶ Usefulness of indicator may be further discussed.



Predictability

Results Area	Indic	2007 Baseline	FY 09/10 Actual	FY10/11 Target	FY10/11 Actual	
C. Facilitating longer-term planning and implementation through predictable development financing	C1	% of donors delivering all ODA through multi-year binding agreements of at least three years.	Establish baseline in 2008	41%	100%	47%
	C2	% of donors providing non-binding indication of future aid to cover at least 3 years ahead, on a rolling basis and according to GoR fiscal year.	Establish baseline in 2008	44%	100%	53%
	C3	% ODA delivered in the year for which it was scheduled (PD indic 7) (ratio inverted where % disb > % scheduled)	68%	73%	83%	Not available at the time of analysis
	C6	DAD data quality index for year n.	Establish baseline 2008	0.93	1	0.85



Predictability

- ▶ Predictability remains as a challenge (multi-year binding agreement, non-binding indication of future aid for 3 + years)
- ▶ In-Year predictability – observing limitation – DAD currently not capturing “timeliness” of commitment information. With new DAD, the DPAF indicator should be able to compare “timeliness and comprehensiveness” of commitment information v.s. disbursement recorded in the GoR account.
- ▶ DAD quality indicator focuses on comprehensiveness of information provided in the DAD for each project entry



Predictability and adherence (DBS)

Results Area	Indic	2007 Baseline	FY 09/10 Actual	FY10/11 Target	FY10/11 Actual	2011/2012 Target	
G. Budget support provided in a manner that enhances ownership, predictability and reduces transaction costs.	G1	% of BS donors informing the Government of the anticipated volume of budget support, both general and sector, to be provided over the next 3-year MTEF period at least 6 months prior to the beginning of the fiscal year in question.	Establish baselines 2008	100%	100%	100%	Yes
	G2	% of BS donors confirming to the Government within 6 weeks of the completion of the backward looking review the exact amount, including the amount granted under a variable tranche (if applicable), to be disbursed in the next financial year.		100%	100%	100%	Yes
	G3	% of BS disbursed within the first quarter of the GoR fiscal year.		26%	50%	43%	50%
	G4	<i>***NB. Amended indicator as agreed at June09 BSHG***</i> % of BS disbursed within first six months of the GoR fiscal year for which it was scheduled.		86%	100%	91%	100%
	G5	% of BS donors adhering fully to common conditionality (CPAF).		86%	100%	86%	100%
	G6	% of BS donors adhering fully to partnership framework.		100%	100%	100%	100%
	G7	% of BS disbursed in or before the month it was scheduled and within the GoR FY it was planned			n/a	To be assessed in DPAF FY2011-2012	



Predictability and adherence (DBS)

- ▶ Communication/Provision of indicative/anticipated Budget Support and confirmed commitment remains to be performing good (100% of Budget Support donors providing the information as agreed).
- ▶ Frontloading of DBS disbursement – 43% in Q1 – improved since last FY from 26%, but being short of meeting the target (50%).
- ▶ Predictability of the first half year (G4) – 91% improved from 86% - still being short of meeting the target.
- ▶ Predictability of the whole year (% of BS disbursed as it was scheduled) is 54% - posing significant challenge for GoR, yet not subject for assessment. Much of delayed disbursement is seen in the second half of the year.
- ▶ 39% of DBS disbursement was made in the last quarter of FY 2010/2011.



Reduction of Transaction Costs and Strengthened Partnership

Results Area	Indic	2007 Baseline	FY 09/10 Actual	FY10/11 Target	FY10/11 Actual	
D. Reduction of transaction costs and strengthening of partnerships through the adoption of harmonised approaches.	D1	Total number of missions	196	113	Maintain or decrease	90
	D2	% of total missions that are joint (PD indic 10a)	23%	21%	40%	24%
	D3	Total number of analytic works	75	39	Maintain or decrease	40
	D4	% of donor analytic work that is coordinated (PD indic 10b)	45%	26%	66%	28%

- ▶ The level of joint missions improved slightly, with the number of total missions reduced.
- ▶ The level of analytic work also improved slightly.
- ▶ Both however being short of meeting the targets.



Selected DPAF findings by donor



African Development Bank (AfDB)

- ▶ Total actual disbursement drastically gone down by about 15 million USD
- ▶ Aid on budget considerably reduced due to less disbursement made than what was planned and budgeted, including GBS.
- ▶ Significant deterioration of use of country systems (reporting and procurement) – most likely due to quality of reporting. (i.e. SBS reported as not using budget execution procedure, etc.)
- ▶ Late submission of data providing not enough time for MINECOFIN verification and discussions.



Belgium

- ▶ The total volume of disbursement reduced by 7 Million USD with the Budget Support level remains around the same.
- ▶ Aid on budget declined considerably due to no Sector Budget Support was on budget.
- ▶ The use of national procurement procedures – 100%. Questions remains as to how this is made possible with the co-management arrangement (execution outside of Govt execution procedure). Some projects may use national procurement procedure for goods and services for direct payment, while questions remain as to Belgium TA also recruited through national procurement procedure.
- ▶ Front-loading of Budget Support – no disbursement was planned and disbursed in the first quarter, but disbursement was made as planned (in the 2nd quarter).



Canada

- ▶ Continuous shift of Canada's ODA portfolio observed – increased use of delegated cooperation (i.e. agriculture).
- ▶ Total volume of ODA slightly increased.
- ▶ Aid on Budget – Canada's contribution to LWH through World Bank not reflected as on budget from Canada.
- ▶ The use of reporting and auditing significantly improved from 9% to 51%, with the use of procurement remains at about the same level, however, being short of meeting the targets.
- ▶ The number of parallel PIUs reduced.



European Commission

- ▶ Total volume of ODA disbursement declined from 90 Million to 68 Million.
- ▶ Continuous transformation of ODA portfolio is seen, with the share of Budget Support now at 82% (with the introduction of agriculture sector budget support – central and decentralised), having direct impacts on the significant improvements seen in a number of indicators meeting almost all targets (at around 87%).
- ▶ Expected to continue further transformation, with additional sector budget support on social protection.
- ▶ Aid on budget, however, was reduced from 92% to 73%. This is due to disbursement of planned sector budget support did not materialize.
- ▶ Budget Support predictability improved to 83% but short of meeting targets. This is due to 2 Sector Budget Support not being disbursed.



Germany

- ▶ Germany's ODA portfolio remains to be 50% budget support and 50% project. Total volume remains at about the same level from previous year.
- ▶ This ODA portfolio has facilitated to improvement of performance on almost all indicators (improved from 63% to 72%). Most of KFW's portfolio using country systems.
- ▶ Aid on Budget for projects however remain as a challenge. Only Budget Support is reflected on budget.
- ▶ Contradiction is also observed as to % of ODA for GoR sector delivered by GoR agencies v.s. the use of country systems, mostly due to quality of reporting.
- ▶ The number of Parallel PIUs remains the same, per GoR assessment.
- ▶ Frontloading of Budget Support – no disbursement was planned and disbursed in the 1st quarter.



Global Fund

- ▶ Total volume increased from 80 million to 116 million
- ▶ Aid on budget remains a significant challenge – only portion of their aid on budget.
- ▶ Use of country systems limited to financial reporting and procurement procedure.



Japan

- ▶ Considerable challenges remain in a number of DPAF indicators
- ▶ Total volume reduced from 25 million to 11 million.
- ▶ ODA on Budget has seen the reversal in trend (both volume and %)
- ▶ The use of PBAs mainly due to the application of PBAs criteria, and may not relate to the policy changes/shift
- ▶ The use of country systems 0%, reduced from 23%., mainly due to lack of reporting on non-grant projects. (petroleum)
- ▶ Parallel PIUs – considered non applicable due to the way many projects are implemented (no cash transfer to GoR accounts).
- ▶ Contradiction observed on the 100% of ODA for GoR sector delivered by GoR agencies



Luxembourg

- ▶ Total volume increased slightly.
- ▶ Aid on budget volume increased.
- ▶ Good performance on aid on budget (77%) improved from 52%.
- ▶ Considerable challenges remain in a number of DPAF indicators



Netherlands

- ▶ Total volume of aid reduced from 42 million to 34 million.
- ▶ Continuous balance of aid modality (DBS at around 40% of ODA portfolio)
- ▶ Aid on budget deteriorated slightly from 90% to 84% (due to actual disbursement of Sector Budget Support lower than what was on budget).
- ▶ Reduction of performance on budget execution, but meeting target.
- ▶ Improvement seen on the use of auditing and procurement systems meeting targets.
- ▶ Reduction of performance on use of financial reporting procedures – being short of meeting targets.
- ▶ Use of PBAs and coordinated TC seen reduction of performance (partly definitions and portfolio).



Sweden

- ▶ Total volume doubled from 7 million to 15 million.
- ▶ Aid on budget remains a challenge, despite that most of their aid delivered by GoR agencies.
- ▶ Considerable reduction on the use of country systems (the use of financial reporting, auditing, procurement) reduced from 68%-90% to 52% (mainly limited to ICT, VUP and Ubudehe)



Switzerland

- ▶ Aid on budget improved from 39% to 57% (mainly health sector and decentralisation support).
- ▶ The use of budget execution procedures improved due to changes in application of definition. Disbursement modality often not require to set up a special account (directly disbursed to district accounts).
- ▶ However, the use of other country systems reduced slightly from 42% to 32%.



UK/DFID

- ▶ Significant share of DFID ODA portfolio is through DBS (85%). 99% of their DBS disbursement was through General Budget Support.
- ▶ Continued to be a high performer of DPAF – best performer of the use of budget execution and procurement procedures (94% and 98%), continuously meeting the DPAF targets set.
- ▶ Aid on Budget however reduced from 94% to 83% due to sector budget support in education and health disbursed considerably higher disbursements than what was budgeted.
- ▶ DAD reporting on budget support does not also match with what is recorded in the NBR (requiring attention on accuracy) – e.g. education sector disbursement in an amount of 13 million not recorded in BNR as disbursed during the FY 2010/2011.
- ▶ Predictability of sector budget support disbursement in the last half of FY 2010/2011 was a challenge, however, this is not assessed in the DPAF.



USG

- ▶ Volume of ODA – highest in FY 2010/2011 (223million USD increased from 189 million).
- ▶ USAID has made considerable efforts to ensure their support is aligned to the GoR national priorities through extensive consultation, and intensifying its policy changes to increasingly use country systems, including discussions on sector budget support in agriculture.
- ▶ Considerable challenges remain in a number of DPAF indicators. The efforts have not yet translated into the performance.
- ▶ Use of country systems closed to 0%, while some portion of CDC support are executed by GoR Agencies.
- ▶ Due to the disbursement modality USG/USAID uses, ODA on Budget is 0.
- ▶ Parallel PIUs – considered not applicable due to the disbursement modality USG/USAID uses which is mostly outside of GoR execution.



World Bank

- ▶ Volume of ODA – second highest in FY 2010/2011 (189 million increased from 179 million USD).
- ▶ High level of DBS in their portfolio (62%) but reduced from 85% as reported in FY 2009/2010 due to FTI (Education) was not disbursed.
- ▶ Reduction of the use of budget execution procedure due to reduction of portion of DBS in their portfolio.
- ▶ The use of financial reporting and auditing 100%, meeting the target set.
 - ▶ Financial reporting – combined the GoR and WB reporting requirements into Interim Financial Report (IFR)
 - ▶ All project audits are done by OAG
- ▶ Reduction of the use of procurement observed as a concern (due to reduction of DBS proportion). Still most of projects executed by GoR applies special conditions for procurement.
- ▶ Budget Support indicators – limited frontloading (GBS disbursed in the last quarter). Predictability reduced due to delay of the health SBS disbursement.



UN System

- ▶ Volume of ODA reported reduced from 84 million to 67 million (due to WFP disbursement considered humanitarian – outside of DPAF scope).
- ▶ Aid on budget seen reduction both in terms of volume as well as % - 30% reduced from 44%. IFAD remains to be the best performer among UN agencies (84% on budget), followed by UNDP (72% - excluding One UN Fund portion). Other UN agencies performance considerably lower.
- ▶ Some improvement seen in the use of country systems, with some reported to use budget execution procedures (UNICEF directly disbursing into district accounts as well as UNFPA). The use of auditing and financial reporting mostly by IFAD, but some UN support (UNICEF, UN Women) uses the country system for some projects.
- ▶ The use of “national execution” modality is not limited to UN ExCom Agencies (UNFPA, UNDP, and UNICEF), and specialized agencies increasingly use this modality (i.e. WHO). What is allowed in terms of execution policy differs significantly different (i.e. use of national audit procedures possible by some UN agencies, while others not). Policy coherence may enhance UN increased performance.
- ▶ Improvement seen on the joint missions, but not being short of meeting targets. Reduction in the joint analytic work – possibly due to quality of reporting and not necessarily due to behavioural changes.



Way Forward

- ▶ Finalisation of DPAF FY 2010/2011 – verification process to ensure the credibility of DPAF report.
- ▶ Changes required to be made before 15 October.
- ▶ Final DPAF FY 2010/2011 to be made available before 22 October.
- ▶ DP Self-Reporting Policy Actions to also facilitate accelerated efforts.



THANK YOU FOR ATTENTION