

Additional Guidance Note on the Paris Declaration Monitoring Survey in Cambodia

Background

In March 2005, 126 countries, 26 International Organisations and 14 Civil Society Organisations have signed the [Paris Declaration](#) on aid effectiveness recognizing the key role more effective aid can play to support national development priorities and to reach the MDGs.

The [Paris Declaration Monitoring Survey](#) provides an excellent opportunity for the government and development partners to review and further strengthen its role in aid coordination and management at the country level. The Paris Declaration provides an opportunity to level the playing field between development partners and to enhance the quality and effectiveness of government-led partnerships for aid effectiveness.

While one of the goals of the monitoring survey is to establish a baseline for future monitoring, an even more important aspect is the opportunity for government and donors to conduct a mutual review of their aid policies and practices: what practices need to change to reduce government burden, improve aid effectiveness and deliver development results? The survey questionnaires provide a practical tool for such a mutual review process as well as for enhancing on-going dialogue and monitoring.

Core principles for conducting the survey

- 1) Stress the mutual-review character of the survey exercise
- 2) Ensure a light process through use of existing coordination fora
- 3) Use the survey exercise for an internal review of development partners' policies and operations.
- 4) Complete accuracy may not be possible - don't go to extreme efforts to complete the survey.
- 5) Do not go back to 2005 OECD/DAC questionnaire. This year is for baseline based on more commonly agreed definition and guidance.

Timeline to complete the survey

- 1) A small development partner group to develop a set of definitions and criteria for some key concepts reflecting Cambodian context (**by May 26**) while the government work on the lists required by the Survey
- 2) A set of draft definitions and criteria documents based on the above be agreed with CDC, and circulated to all development partners (**June 1**)
- 3) Feedback to be received from development partners, incorporated into this guidance note and the revised guidance note circulated (**June 13**)
- 4) Each reporting development partner should identify its focal point for the Questionnaire Exercise and verify it to Mr. Chhieng Yanara, National Coordinator (CDC) through Yoko Konishi (UNDP) and Helen Appleton (DFID), Development Partner Coordinators of the Survey (**by June 13**)
- 5) Development partners begin to complete the questionnaire (**from June 13 onwards**)
- 6) National Coordinator to convene a meeting of all focal points to address any queries arising during the process and strengthen clarity and consistency of the answers (**June 19, 2:30pm**)
- 7) Development partner focal points to finalise their questionnaires (endorsed by each Head of Agency) then submit to the National Coordinator through Development Partner Coordinators (**July 5**).
- 8) After completing both Donor and Government Questionnaires, the National Coordinator will jointly work on the Country Worksheet with Development Partner Coordinators to prepare a draft (**July 5 - 31**)
- 9) A consultation meeting to be convened by the National Coordinator with development partners, to validate the draft of the country worksheet (between **August 1 - 6**).

10) All parts of the questionnaires to be ready to submit to OECD/DAC **by 15 August**.

OECD/DAC Definitions & Guidance

The key element of support is the [OECD/DAC Guidance](#), which provides the starting point for the completion of the survey and has been agreed globally by development partners as well as partner country representatives in the OECD/DAC Working Party on Aid Effectiveness.

Additional guidance for completion of the 2006 DAC Baseline Survey

General points

- Please make sure you read the **final version** of the Definitions and Guidance (dated May 2nd), which can be found on the [OECD website](#). The objective of this note is to provide additional guidance on the indicators related to the development partners based on the discussion during the launching workshop and follow-up discussion among development partners. There are two annexes to this note, which are provided to help with the categorisation of PIUs.
- Development partner HQs have important responsibilities for survey completion. Check with your HQ to ascertain if any additional definitions, templates and/or guidance are available.
- In each country, a national co-ordinator will lead the process and it is important to ensure that the development partners are aware that Mr. Chhieng Yanara is National Co-ordinator in Cambodia.
- In this Guidance Note, some of the global DAC definitions have been further clarified and agreed upon at national level. Such definitions will be documented for in-country consistency and future monitoring purposes. The final data is not intended for cross-country comparison.
- Two further documents will be circulated with this Guidance Note: i) a list of all development partner projects, as recorded by CDC in order to assist donors to answer the questionnaire (such identifying the number of parallel PIUs, amount for certain PBA; ii) an electronic version of the DAC questionnaire with a additional column for providing qualitative comments or assessments

Indicator 3 (Aid flows are aligned on national priorities) NB: For Point of Delivery Donors

- **Contributions from bilaterals to multi-laterals should be recorded by the multilateral as the donor who finally disburses at the "point of delivery"**. In order to avoid double counting, **all** resources which multilaterals manage and spend on behalf of bilaterals **and** bilaterals who disburse through other bilaterals (whether through core resources or non-core resources raised locally) which count as ODA, should be included. Bilaterals should **not** include these resources in their survey responses (the OECD/DAC guidance note identifies point of delivery as the point which "counts"). The reason for applying this approach is that the agency which actually disburses the funds to government knows best when they are disbursed (overall ODA flows are reported separately to the DAC therefore individual development partners should not be concerned about apparent "non-reporting" of their ODA flows where these flows are disbursed through multilaterals. For the purposes of the questionnaire, the multilaterals will report on all funds spent by them, regardless of the source)
- **The questionnaire covers the period from January-December 2005**, following the Cambodian fiscal year. If an agency's fiscal year is different from that of Cambodia, that agency should provide actual expenditures for this period if possible, rather than estimates.
- **ODA disbursed 'to the government sector' means all agreed programme support to the government**, including that provided for service delivery as directed/delegated by the government. It is not just funds that donors provide in general budget support or basket/pooled funds. The figure should include all programme resources, not only the amount actually disbursed to government accounts. Agreement with government on the project/programme is the key to determine whether funds are 'to the government sector'.

- **Support through an NGO that has been contracted directly by government using donor money, or has been contracted by the donor in agreement with government to deliver a government service, is counted as 'to the government sector'.** While NGO participation in discussion is most welcome, NGOs do not report figures in this survey. Donors are responsible for their ODA contribution through NGOs. Other arrangements (such as direct small funding to NGOs from donors without agreement with government) are counted as ODA 'not to the government sector'.
- **Figures should only reflect the programme agreed with government.** This will include project/programme funded staff costs for those agencies that have such staff. TA in-kind that has not been monetized in an agreement or in a document communicated to the government will not be reported in the Survey (due to the complexity of tracking such resources by many agencies).
- **ODA to local government and public hospitals/schools should be counted as 'to the government sector' if there is agreement with them or with the government.** On the other hand, in cases where an NGO, with donor funding (ODA), is providing assistance to schools and hospitals without a formal agreement between the donor and the government, this is not counted as 'to the government sector'.

Indicator 4 (Strengthen capacity by co-ordinated support) NB: For Point of Delivery Donors

- Technical Co-operation (TC)/Assistance is the provision of know-how in the form of personnel, training, research and associated costs. It can be both freestanding and embedded in investment programmes (or included in Programme Based Approaches). Things which would **not** be considered TC include: equipment for donor offices and training for donor staff
- The OECD/DAC statistical directive states that “Free Standing Technical Co-operation” is the provision of resources aimed at the transfer of technical and managerial skills and know-how or of technology for the purpose of building up national capacity to undertake development activities, without reference to the implementation of any specific investment project(s). TC includes pre-investment activities, such as feasibility studies, when the investment itself has not yet been approved or funding not yet secured.
- Investment-related technical co-operation (ITC) is the provision of resources, as a separately identifiable activity, directly aimed at strengthening the capacity to execute specific investment projects. Included under ITC would be pre-investment-type activities directly related to the implementation of an approved investment project.
- For the purposes of the DAC Questionnaire, development partners should identify i) how much TC for capacity development they provided in 2005, and ii) how much of that was provided through "Coordinated" programmes. Answers should be monetized. It might help to refer to the OECD-DAC guidance, Section 5, Definitions and Guidance, page 5.
- The OECD/DAC guidance states that Co-ordinated Technical Cooperation comprises either capacity development programmes or programmes which have capacity building components and which also:
 - support a country's national development strategy,
 - are led by government and follow widely shared and clearly articulated objectives from senior government sources
 - are integrated within country led programmes, and
 - are co-ordinated with other donors where relevant (including arrangements for co-ordinating donor contributions)
- All TC activities included in the programmes defined as PBAs in Cambodia can be identified as coordinated TC: SEILA, PFM Reform programme, LMAP Land Management, Health SWiM, Education SWAp, HIV/AIDS and Mine Action. Donors should identify any capacity building components in the PBAs highlighted above and report them as “Coordinated TC”.

- Donors should also identify as "coordinated" any projects and programmes where donors are beginning to coordinate their capacity building efforts and share responsibilities around activities and/or a common strategy/framework. Examples of this can be found, for example, in Fisheries and Forestry sectors, between ADB and AFD in the irrigation sector, and the support to the formulation of the National Strategic Development Plan (2006-2010). All answers should be monetised.

Indicators 5a/5b (Use of country system) NB: For Point of Delivery Donors

Donor agencies are moving towards a harmonised approach to cash transfers, harmonizing among themselves, but not yet fully aligned with government procedures. Development partners are encouraged to provide qualitative comments on, for example, the use of special and/or harmonised approaches to financial management and procurement where these have been developed.

- The possibilities for alignment are currently limited in some cases by donor agencies' regulations. Since not all agencies work in the same way, it may be useful for each donor to specify exactly how its own procedures work and if possible the degree to which those procedures are aligned with those of government.

Indicator 5a (Use of country public financial management systems) NB: For Point of Delivery Donors

- Donors should claim that their funds are using country budget execution procedures if those funds are following government procedures for authorisation, approval and payment procedures.
- In relation to national financial reporting procedures, if donors ask government to provide reports to their agencies according to their own timing and reporting formats then donors cannot describe this as use of national financial reporting procedures.
- In relation to use of national auditing procedures, only if donors use the National Audit Authority to audit donor-funded projects using unmodified national budget execution procedures, can they report this as use of auditing procedures

Indicator 5b (Use of country procurement systems) NB: For Point of Delivery Donors

- Only use of unmodified national procurement procedures applies here. The following subordinate legislation and policy have been functioning:
 1. 1995 Sub-Decree for public procurement;
 2. 1995 Prakas on Implementation of the Rule and Regulation on the Management of Public Procurement;
 3. 1998 supplementary instruction to 1995 Prakas on Implementing Rules and Regulations on Public Procurement (IRRPP);
 4. August 2003 Under decentralization policy; Social Fund and Sangkat /Commune Fund handling; and
 5. February 1998 Privatized concession or BOT.
 6. August 2005 Standard Operating Procedures Procurement manual for externally funded projects under the purview of the Ministry of Economy and Finance
- Donors should note when they have been able to use the above procedures, and also when they have been able to harmonise with other donors in the use of these procedures.

Indicator 6 (Strengthen capacity by avoiding parallel implementation structures) NB: For Point of Delivery Donors

- The OECD/DAC guidance states that a Project Implementation Unit (PIU) is a dedicated management unit designed to support the implementation of projects or programmes. A parallel PIU is accountable to the external funding agency rather than the relevant government institutions such as ministries, agencies and authorities, whereas in a fully integrated PIU, the government

institution takes full responsibility and implements projects using existing structures, procedures and staff.

- The question in the DAC survey asks donors to declare only the number of parallel PIUs.
- CDC will provide a list of projects by donor in order to guide responses. Donors should review and update this list to include all the projects for which they are responsible for disbursement. Subsequently, donors should identify for each of their projects whether the PIU arrangements are integrated, semi-integrated or parallel. They are then requested to indicate this information in the appropriate column in the list, and submit the list together with the Donor questionnaire.
- For the ease of answering this question, a support team for the DAC survey exercise has developed a PIU Checklist (Annex I) and a PIU Reference Matrix (Annex II). The Checklist will guide donors in classifying their PIUs as parallel, semi-integrated, or integrated, using the following criteria:
 - Accountability (to whom are PIU staff accountable?)
 - Staff selection/recruitment, staffing (who determines the TOR of PIU staff?)
 - Implementation/operational responsibility (who is responsible for management of implementation issues?)
- The PIU Reference Matrix (Annex II) offers more details around the three criteria above, and the opportunity to further classify PIUs. This could be a useful tool to support donors who want to work more on improving the structure of their PIUs, or in cases where donors are unclear about how to categorise a particular PIU. If donors identify a PIU as “Mostly Parallel” using this matrix, then the PIU should be reported as "Parallel". This could provide us with a more realistic baseline from which to work and evaluate progress in years to come. Donors are also encouraged to provide further qualitative information on distinguishing characteristics of PIUs that they are funding.
- The physical location of a PIU inside a relevant ministry or agency does not automatically mean that a PIU is integrated. Qualitative information on the reasons for particular PIU structures (whether parallel or integrated) could be provided as examples.

Indicator 7 (Aid is more predictable) NB: For Point of Delivery Donors

- If the scheduled disbursements are significantly higher than the actual disbursements (Indicator 3) it is usually because of problems with liquidation of Cash Assistance to Government, though there may be other reasons. If there is an increase in actual disbursements we should also note why. What is important is an explanation for any discrepancy between scheduled and actual disbursements. Such discrepancies will be dealt with during the preparation of the Country Worksheet which will bring together both donor and government questionnaires.

Additional Resources: OECD DAC Working Party on Aid Effectiveness: [Predictability of Aid](#) (February 2004)

Indicator 9 (Use of common arrangements or procedures) NB: Lead Donor to report in each case

- A list of programme based approaches (PBAs) is to be prepared by the government. The National Coordinator suggested that the LMAP, SEILA, Education SWAp, Health SWiM, HIV/AIDS, PFM reform programme and Mine Action should be regarded as PBAs in Cambodia. Although not all of these programmes have a single budget framework, they are all loosely coordinated around a programme framework or mechanism which enables the coordination of interventions and activities and budgets around a strategy or action plan. In the Cambodian context, these will be counted as PBAs, and Development Partners should use this list as our guide.
- If donors are beginning to coordinate their efforts and share responsibilities around activities and/or a common strategy/framework, there are two key criteria to decide if such an initiative is a

PBA: i) common plans and ii) common arrangements (e.g. pooled funds). If programme support is provided within the context of a common plan but does not use common arrangements then donors should note additional justification to show that it is a PBA..

- Other criteria include:
 - Leadership and decision-making by the government;
 - A formalised process for donor coordination and harmonisation of donor procedures for reporting, budgeting, financial management and procurement.
 - Efforts to increase the use of local systems for programme design and implementation, financial management, monitoring and evaluation;

Indicator 10(a) (Joint missions)

- In order to avoid double-counting, names, donors and timing of the missions are needed for compilation. The questionnaire asks us to distinguish between missions that were jointly formulated (i.e. carried out with other donors) and those that were not. Each donor should identify its joint missions and the name(s) of its joint mission partner(s) in order to make aggregation easier.
- For reporting purposes for the OECD/DAC, all missions (apart from donor workshops, conferences, etc. that do not involve a request to meet with government officials) should be included.

Indicator 10(b) (Joint country analytic work)

- In order to avoid double-counting of analytic work, a list of all works produced in 2005 is needed for compilation of the questionnaire. This list should contain the title of the work, the donors(s) involved, and timing.
- Discussion on this indicator will highlight collaboration around the joint country analysis.

Additional Resources: Country Analytic Work: <http://www.countryanalyticwork.net/>

Indicator 12 (Mutual accountability)

- This indicator will be discussed and established during the preparation of the Country Worksheet. Therefore, no need for donors to answer at this time. The main criteria for the existence of a mutual assessment mechanism depend on the presence of national targets and institutionalised mechanisms for setting targets, discussion and debate on them. In many countries the progress of mutual accountability is institutionalised through the action plan on harmonization, which is evaluated each year by an independent body and discussed and agreed between the government and donors.

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