

The survey sought to measure objective evidence of progress against 13 key indicators on harmonisation and alignment (see Foreword). A four-point scaling system was used for all of the “Yes/No” questions:

1. “Yes without reservations” represented here as: **YES!**
2. “Yes with reservations”: represented here as: YES
3. “No with reservations” represented here as: NO
4. “No without reservations” represented here as: **NO!**

Specific technical criteria were suggested to guide responses (See Annexes). Respondents were also invited to provide a brief explanation when they expressed reservations (Categories 2 and 3 above). The qualitative information they provided has informed this chapter.

A draft poverty-reduction strategy paper (PRSP) was finalised in 2003 and a joint government-donor committee was established to organise the PRSP process in mid 2003. At the June 2003 PRSP Forum, donors agreed to support the government’s efforts in three key areas: (i) aligning external assistance with the PRSP and the budget cycle; (ii) improving co-ordination and harmonisation of their assistance at national and sector levels; and (iii) continuing joint efforts to strengthen national public finance systems. A broad framework was also endorsed to improve predictable funding and rationalise procedures for project management. The government PRSP secretariat has drafted, with support from the World Bank, a harmonisation action plan; however, the document is yet to be finalised and formally adopted by the government. This survey also suggests that effective government ownership over the consultation process has been hampered by lack of resources and capacity.

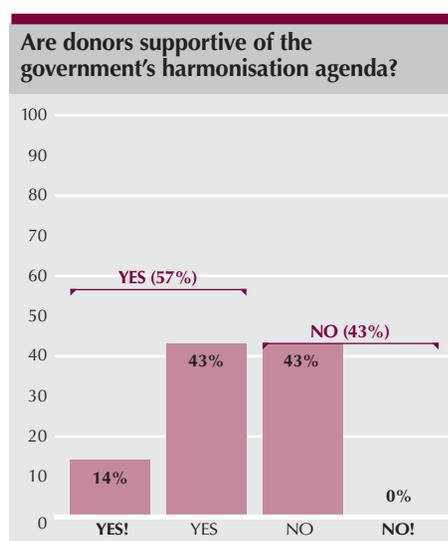
OWNERSHIP

A CLEAR AGENDA ON HARMONISATION

A formal government-donor committee was established to help finalise the draft PRSP and organise the June 2003 PRSP Forum. Since then the committee, in spite of government’s efforts, has not been playing an active role including in the area of harmonisation. In this connection, while a comprehensive harmonisation plan is not yet in place, there is an informal and ongoing process to align the PRSP, sector policies and the national budget.

According to this survey, 57% of donors indicated that they are supporting the government’s agenda (see Figure 11.1 – Indicator 1).

FIGURE 11.1
INDICATOR 1



**TABLE 11.1
INDICATOR 2**

Is government co-ordinating aid?		
Is there a formalised process for dialogue?		NO
Is government proactive?		NO!
Is government in the driving seat?		NO
Do donors' rules support harmonisation?		NO!
33%		
% of donors who take part in co-ordination		

FORMAL GOVERNMENT-LED FRAMEWORK FOR DIALOGUE AND CO-ORDINATION

The government is yet to establish a formal co-ordination and dialogue mechanism (see Table 11.1 – Indicator 2). The Ministry for the Economy and Finance occasionally takes a leading role, in collaboration with the permanent secretariat of the PRSP (which is based in the Prime Minister's Office). However, this arrangement has been informal and the government needs to formalise a framework for general co-ordination and dialogue, and designate an organisation to take the lead.

On the donor side, several sectoral donor co-ordination fora have been established, including groups for health, education, rural development and water.

**TABLE 11.2
INDICATOR 3**

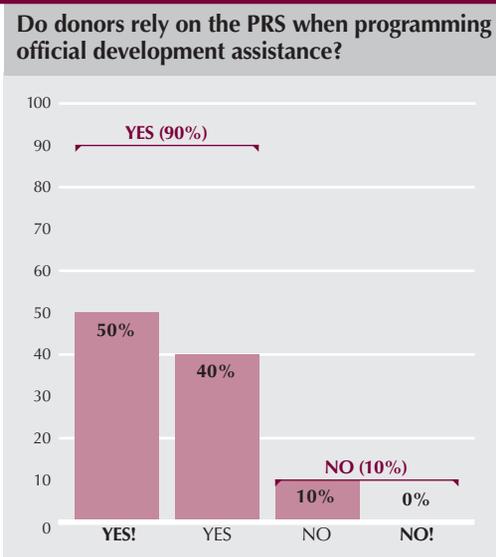
Capacity development		
Have weaknesses been identified?		
In public financial management	YES	NO!
In budget planning and execution	YES	
In co-ordination of aid		
► Are weaknesses being addressed?		
In public financial management	YES	NO!
In budget planning and execution	YES	
In co-ordination of aid		
► Is the level of support appropriate?		
In public financial management	YES	NO
In budget planning and execution	YES	
In co-ordination of aid		

CAPACITY DEVELOPMENT

Currently, there is no national capacity-building development plan in Niger; however, donors finance ad hoc programmes to develop capacity – either within the framework of their respective programmes or through a joint framework (see Table 11.2. – Indicator 3). The best example of this is the joint public expenditure management and financial accountability assessment review (PEMFAR), which will serve as a basis for a capacity-enhancement programme to strengthen Niger's public finance systems. When the PEMFAR report is finalised, it is expected that it will result in an action plan to address financial management weaknesses in Niger.

It might be noted, that there are not any plans to address capacity weaknesses in aid co-ordination.

**FIGURE 11.2
INDICATOR 4**



Is budget support predictable and aligned?					TABLE 11.3 INDICATOR 5
Are budget support donors making:	YES!	YES	NO	NO!	
► multi-annual commitments?	European Commission IMF United Nations World Bank	Belgium	France United Kingdom		
► timely commitments?	Belgium IMF	European Commission World Bank	France United Kingdom United Nations		
► timely disbursements?		Belgium	United Kingdom		

ALIGNMENT

RELIANCE ON PARTNERS' NATIONAL DEVELOPMENT STRATEGIES

As mentioned above, a joint government-donor committee was established to organise the PRSP process in June 2003. The PRSP still needs to be refined in a number of areas to be more effective. For example, performance indicators have only been identified in the basic education sector.

One PRSP review has taken place to date, but it lacked a clear methodology and agenda (see Figure 11.2 – Indicator 4). According to a large multilateral donor, the government would benefit from a formal framework for allocating resources. In this respect, it notes that: “while a progress report on the implementation of the PRSP was produced by the authorities in July 2003, with inputs from main donors, it did not serve as a basis for the allocation of resources.”

BUDGET SUPPORT

Four donors provide budget support to Niger. These are: France, the European Commission, the International Monetary Fund (IMF), and the World Bank (see Table 11.3 – Indicator 5). Both the European Commission and the World Bank report that their budget support programmes are designed in such a way that commitments are notified in time to feed into the national budget preparation process, provided that the government satisfies conditionalities linked to disbursements.

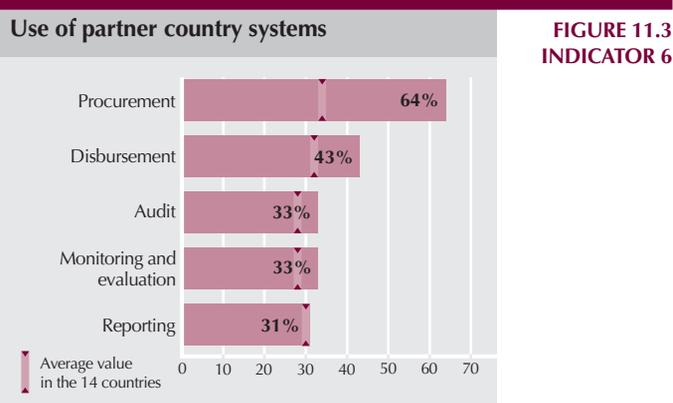


FIGURE 11.3
INDICATOR 6

PROJECT SUPPORT

In comparison with other countries in this survey, Niger's government systems (particularly its procurement systems) are used more than average (see Figure 11.3 – Indicator 6). Donors are providing support to increase the quality of country systems.

The World Bank, for example, is currently assisting the government in strengthening public procurement procedures through an institutional development fund.

In other areas, according to most donors, audit, monitoring and evaluation, reporting and disbursement and, to a lesser extent, procurement, are undertaken using external assistance.

TABLE 11.4
INDICATOR 8

Alignment with sector programmes					
	Health	Education	Water	Transport	Agriculture
► Are sector systems in place?					
Is government leading in the sector?	NO	YES	NO!	NO!	NO
Does a clear sector policy exist?	YES!	YES!	YES	NO	NO
Is a sector medium-term expenditure framework (MTEF) in place?	NO	NO	NO	NO!	NO
Is there sector co-ordination?	YES	YES	YES	YES	YES
Is a sector monitoring system in place?	NO!	YES	NO!	NO!	NO!
Are systems being harmonised?	NO!	NO	NO!	NO!	N/A
► Are donors supporting the sector systems?					
Are the systems aligned with government policies?	YES!	YES!	YES!	YES	YES!
Are funds integrated into the MTEF?	NO	NO	NO	NO	NO
Are donors using the government monitoring system?	NO	NO	NO	NO	NO

SECTOR SUPPORT

Initial efforts by the government have focused on enhancing harmonisation at the sector level (see Table 11.4 – Indicator 8), and specifically in the education sector. Progress in this sector is monitored closely with the view of using it as an example of good practice to be replicated in other sectors, *e.g.* health and rural development.

Health sector

A health sector strategic action plan, medium-term expenditure framework (MTEF) and linked support programme are all currently under development with the support of donors. The European Commission is providing technical assistance to the Ministry of Health to assist in this process. The MTEF, linked to the PRSP, is being developed with the support of the World Bank. Donor co-ordination arrangements, led by Belgium, are being finalised.

Education sector

An education sector policy has existed for several years and 86% of donors active in the sector rely on it to programme their assistance. Budget support indicators have been identified within the policy, although greater clarity is required in terms of data collection systems. As with the health sector, an MTEF, linked to the PRSP, is being developed with the support of the World Bank. Co-ordination of donor activity was being led by Canada until recently, when France took over responsibility for the task.

Water sector

Though a water sector strategy was adopted in 2001, it is reported to be weak and not many donors are aligned to it. According to this survey, 50% of donors are active in the sector and meet regularly under the leadership of Switzerland. These meetings are more a means, however, to share information than to co-ordinate activity; for example, the government does not participate in the forum. There is no water sector MTEF or performance monitoring system; it is felt that little progress is currently being made towards harmonisation.

Transport sector

Donors participated in a policy dialogue workshop with the government to formulate a transport strategy, which was later presented in April 2004. The European Commission is the main stakeholder in this sector and is financing institutional strengthening to support implementation of the new policy. There is no formal donor co-ordination arrangement, although the main sector donors meet on an informal and *ad hoc* basis.

Rural development

A sector strategy has been established, and an action plan for its implementation (including a MTEF and budget support programme) is currently under development with the support of the Food and Agriculture Organization (FAO) and the World Bank. France is taking the lead in donor co-ordination.

Other sectors

Other sectors in which harmonisation initiatives are taking place include food security, decentralisation, and recently, the justice sector. They all have formal donor co-ordination processes in place.

HARMONISATION

The government recognises that setting up a harmonisation programme is an important step toward increasing aid effectiveness. It has made some progress in the harmonisation agenda, through:

- Conducting dialogues that led to the formulation of the PRSP.
- Taking steps to identify capacity-building needs in financial management.
- Making efforts to reform government procurement and other procedures (*e.g.* introducing new budgetary system of classification).
- Strengthening the judicial system to integrate investment and recurrent expenditures.
- Preparing five-year MTEFs in the education and health sectors associated with regular public expenditure reviews.

Are donors streamlining conditionality?		TABLE 11.5 INDICATOR 7
Direct budget support		
Health sector		NO
Education sector		NO
Water sector		NO
Transport/road sector		NO
Rural development agriculture		NO

Key areas for further action include: improving the co-ordination and dialogue process; greater pro-activity by the government (especially in creating a clearer agenda for harmonisation); and attention to the identification and implementation of capacity-development requirements that will support the aid co-ordination and financial management processes. Communication and information exchange between donors also need to be enhanced.

STREAMLINING CONDITIONALITY

According to the government, the suspension of budget and sector support depends on conditions defined bilaterally between it and each donor, within the framework of their financing convention (see Table 11.5 – Indicator 7). Informal discussions are held between the principal donors in an attempt to harmonise conditionalities, avoid financing duplications and agree on reforms of the progress indicators. The ultimate objective of the government and donors is to develop a common framework defining conditionalities, which would be supported by joint evaluation missions to assess progress of reform implementation. Much work remains ahead to achieve this goal.

**TABLE 11.6
INDICATOR 9**

Who is delegating co-operation?			
YES!	YES	NO	NO!
	Switzerland IMF United Nations		Belgium France Germany Japan United Kingdom European Commission World Bank

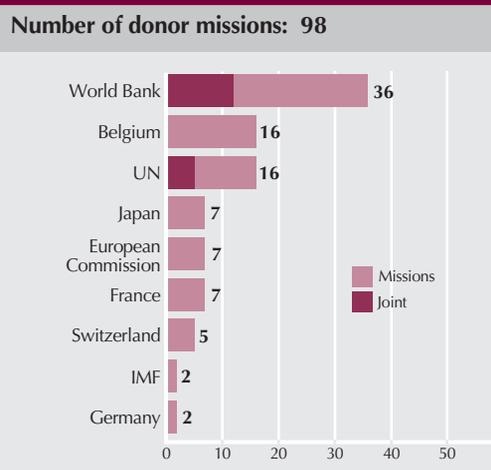
DONOR FIELD MISSIONS

Approximately 90 missions took place in Niger in 2003; 20% of which were undertaken jointly (see Figure 11.4 – Indicator 10).

STREAMLINING DIAGNOSTIC REVIEWS

Under the leadership of the Ministry of Finance and Economy, the European Commission, France, United Nations Development Programme (UNDP), African Development Bank (AfDB), and the World Bank, initiated a joint PEMFAR to serve as a basis for a capacity-enhancement programme to strengthen Niger's public finance systems. An HIPC (heavily indebted poor countries) tracking assessment was also conducted (in 2001 and 2004) as well as various donor audits (Indicator 11 – Table not presented).

**FIGURE 11.4
INDICATOR 10**



**TABLE 11.7
INDICATOR 13**

Who is sharing country analytic work?			
YES!	YES	NO	NO!
IMF United Nations World Bank	Belgium Japan	United Kingdom	France Germany Switzerland European Commission

DELEGATED CO-OPERATION

No single donor claims to be party to an agreement to perform tasks on behalf of other donors but 30% of donors report being so with reservations (see Table 11.6 – Indicator 9). The United Nations (UN) reported that several multi- and bilateral donors conclude agreements with UN agencies to implement programmes with their support. Switzerland acts as the delegating donor in a forum to establish a national water and sanitation commission.

DISCLOSING INFORMATION

According to the government, the principal budget support donors provide information on the envisaged amount of funds to be disbursed, and the conditions that must be satisfied to trigger disbursement within their respective missions. In the education sector, basket funding for the basic education development programme introduced a degree of predictability and harmonisation. However, the government and donors are yet to agree on procedures for notifying disbursements related to donors' developmental activities in other sectors.

The survey shows that 50% of donors claim to notify government on indicative disbursements they plan to release over at least a three-year period (Indicator 12a – Table not presented). 70% of donors claim to provide comprehensive and regular information about in-country disbursements (Indicator 12b – Table not presented).

30% of donors share information on their country analytic work on the country analytic Web site (see Table 11.7 – Indicator 13).

ACRONYMS

HIPC	Heavily indebted poor countries
IMF	International Monetary Fund
MTEF	Medium-term expenditure framework
PEMFAR	Public expenditure management and financial accountability assessment review
PRS	Poverty-reduction strategy
PRSP	Poverty-reduction strategy paper
UN	United Nations

