
AFGHANISTAN

INTRODUCTION

AFGHANISTAN is a low-income country which has had a gross national income (GNI) per capita of around USD 300 since 2005 (WDI, 2011). It has a population of almost 30 million (Ministry of Finance, Afghanistan 2011). According to the World Bank, “economic growth has been strong and has generated better livelihoods” since late 2001 (World Bank, 2011). However, ongoing violent conflict and political corruption remain major obstacles to development.

Official development assistance (ODA) to Afghanistan in 2009 totalled USD 6 319 million (OECD, 2011a). Since 2005, foreign aid has averaged 76% of the country’s GDP (WDI, 2011). Eighty-one percent of Afghanistan’s ODA has been contributed by the top five donors over the last ten years (OECD, forthcoming). ■

SUMMARY OF PROGRESS

PROGRESS ON THE PARIS DECLARATION INDICATORS depends on improvements by both donors and partner governments. The 2010 data shows both achievements and failures in making aid more effective. A sample list of reforms undertaken by the Afghan government should win the trust and confidence of donors and encourage them to change their attitudes and adopt principles of aid delivery to improve development outcomes. Afghanistan participated in the 2006 and 2008 surveys. Only one indicator (on untying aid) has met the target, but most have seen regressions compared to previous years. According to the country report, one of the main reasons for not meeting more targets is the investment of a large part of aid to support the country’s security sector reform.

TABLE 1:
Baselines and targets
for 2010

	INDICATORS	2005 REFERENCE	2007	2010 ACTUAL	2010 TARGET
1	Operational development strategies	--	D	C	'B' or 'A'
2a	Reliable public financial management (PFM) systems	--	3.0	3.5	No Target
2b	Reliable procurement systems	Not available	C	Not available	No Target
3	Aid flows are aligned on national priorities	55%	69%	27%	85%
4	Strengthen capacity by co-ordinated support	37%	54%	24%	50%
5a	Use of country PFM systems	44%	48%	25%	No Target
5b	Use of country procurement systems	44%	18%	11%	No Target
6	Strengthen capacity by avoiding parallel PIUs	28	26	28	9
7	Aid is more predictable	84%	70%	23%	92%
8	Aid is untied	81%	91%	83%	More than 81%
9	Use of common arrangements or procedures	43%	40%	37%	66%
10a	Joint missions	26%	37%	6%	40%
10b	Joint country analytic work	34%	32%	35%	66%
11	Results-oriented frameworks	--	D	C	'B' or 'A'
12	Mutual accountability	Y	Y	N	Y

ABOUT THE SURVEY

THIS CHAPTER ASSESSES PROGRESS against the quantitative indicators provided by the Survey on Monitoring the Paris Declaration, drawing on data provided by the government and donors, the OECD and the World Bank. In addition to this, it draws on qualitative evidence submitted to the OECD by the national government which incorporates feedback from donors and other stakeholders. Stakeholders note that it is possible that in places definitions and concepts were interpreted differently by survey respondents in 2011 compared with previous years. A degree of caution should be taken when analysing the trends shown by some of the indicators.

Twenty-three specific donors (and some smaller donors) responded to the 2011 Survey, covering 90% of Afghanistan's core ODA. Government and donor bodies were involved in the preparation of the country report. The National Co-ordinator was invited to consult the Parliament, civil society organisations and donors in Afghanistan on how to respond to the questions on the government questionnaire. These responses were then collated by the National Co-ordinator. ■

	ACHIEVEMENT OR CHALLENGE	LESSON OR PRIORITY ACTION
Ownership	Achievement: Results frameworks have been developed for each of the sector strategies in the 2009 Annual Progress Report on the Afghanistan National Development Strategy (ANDS).	Lesson: More discussions with donors regarding frameworks and expected results are required. Individual discussion with each donor is required if donor support to ANDS results is to be enlisted.
Alignment	Challenge: Limited procurement capacity at all levels in the government. Insecurity threats coupled with low capacity for project implementation in Afghanistan often make donors channel funds directly to the implementing partner or contractor without informing line ministries. Differences between donor and government priorities have also contributed to this problem. Achievement: Donors approved the Development Assistance Database. Donors will align their programmes behind the national priority programmes (NPPs) of Afghanistan.	Lesson: Implementing a procurement reform programme has improved governance and transparency in the area of public procurement. Priority action: The government needs to keep records of off-budget disbursements for the government sector.
Harmonisation	Challenge: Donors have interpreted the four criteria set out in the survey guidance differently, which makes it difficult to give a fair assessment regarding the use of programme-based approaches (PBA). Achievement: The Afghanistan Reconstruction Trust Fund provided a focus on common arrangements. The government has also expressed willingness to try other forms of PBA.	Priority action: Negotiation by the United Nations Country Team with donors in order for them to limit their missions to specific purposes and co-ordinate them with other donors. Lesson: Donors participated in a range of joint working groups and donor co-ordination meetings to improve co-ordination and rationalise the country's analytical work.
Managing for results	Achievement: Afghanistan's national development strategy approved a monitoring and evaluation framework.	Priority action: The Ministry of Economy should conduct information collection, organisation, verification, integration, analysis and preparation activities at the national level. The Ministry of Economy requires capacity building programmes to undertake this task and it must be made accountable to a higher body.
Mutual accountability	Achievement: A Performance Assessment Matrix for assessing and discussing mutual performance within the framework of the Afghanistan Reconstruction Trust Fund has demonstrated results. However, other methods of accountable management and reporting should be developed if more PBA forms are to be adopted.	Priority action: Prepare a donor joint working strategy in response to the Afghanistan National Development Strategy (ANDS) and the national priority programmes.

TABLE 2:
Learning from success
and challenges

OWNERSHIP

AID IS MOST EFFECTIVE when it supports a country-owned approach to development. It is less effective when aid policies and approaches are driven by donors. In the context of the Paris Declaration, ownership concerns a country's ability to carry out two, inter-linked activities: exercise effective leadership over its development policies and strategies; and co-ordinate the efforts of various development actors working in the country.

INDICATOR 1

Do countries have operational development strategies?

Indicator 1 assesses the operational value of a country's development strategy. In particular, it looks at the existence of an authoritative country-wide development policy (*i.e.* a unified strategic framework), the extent to which priorities are established, and whether these policies are costed and linked with the budget. All of these features are important to harness domestic resources for development, and to provide a basis for the alignment of aid to development priorities. Each country has provided evidence against these criteria, and this has been translated into a score by the World Bank using the same methodology as in the 2006 and 2008 surveys. A five-point scale runs from A (highest score) to E (lowest score). The Paris Declaration targets 75% of partner countries achieving a score of A or B by 2010.

In the 2011 Survey Afghanistan received a rating of C on Indicator 1, showing an improvement since the 2008 Survey when it was rated D. This shows that there has been some progress over the last three years, but that more is required in order to meet the target of B or A. According to the Afghan government, the World Bank and other donors' role in oversight or advice in speeding up the operation of its development strategy has been "nil".

Ownership is hard to achieve in a country heavily dependent on aid; the aid to GDP ratio was almost 71% in 2011, which ranks Afghanistan among the most heavily aid dependent countries in the world. Afghanistan's National Development Strategy (ANDS) is underpinned by a long-term vision and provincial development plans, and it is used by line ministries in developing their priorities, programmes and projects, and in budget formulation. The strategy has prioritised targets and links to the Millennium Development Goals and cross-cutting issues. It is costed and linked to the budget through a medium-term fiscal framework and through programme-based budgeting. The original strategy had little focus on results to be attained in each of the sectors. The 2009 annual progress report of the ANDS developed results frameworks for each of the sector strategies. However, very few discussions with donors have taken place regarding these frameworks. Monitoring reports on such results have also not been made available, which set back the improvement of operational development strategies in Afghanistan.

The Afghanistan National Development Strategy has prioritised its targets; 22 national priority programmes are identified as prioritised targets of the national development strategies, they are organised into six clusters, which serve as a co-ordination mechanism to achieve these targets. Secretariats have been developed for all six clusters that are responsible to co-ordinate the achievement of the 22 national priority programmes and follow up on the "100-days Report", which is a monitoring mechanism for the achievement of the prioritised targets. It is important that these reports analyse how the deliverables will contribute to the results of the respective ANDS sector strategy. It is also essential to develop results frameworks for each of the national priority programmes.

Afghanistan also has a medium-term fiscal framework (MTFF), formulated for the first time in 2005. The national development strategy is costed through programme budgeting. All new priorities of the NDS in sector ministries were broken down into programmes, sub-programmes and activities, and then further disaggregated into operating and development activities. Each operating or development activity was, in turn, costed using output and unit-based costing. The NDS is linked to the MTFF and the annual budget through programme budgets (which correspond to outcomes) and sub-programme budgets (which correspond to outputs). It is also vital to make the budgeting process simpler which will help line ministries, parliamentarians and donors. ■

ALIGNMENT

AID THAT IS DONOR DRIVEN AND FRAGMENTED is less effective. For aid to be effective, it must make use of national development strategies and use and help strengthen capacity in national systems, such as those for procurement and public financial management. The Paris Declaration envisions donors basing their support fully on partner countries' aims and objectives. Indicators 2 through 8 of the Paris Declaration assess several different dimensions of alignment.

Afghanistan has made some progress towards the 2010 targets on alignment. Out of eight indicators associated with alignment, only one has met the target, four of the indicators did not have a target set for 2010 and one indicator has not changed since 2005. The indicator for untying aid has met the target of more than 81%. However, there have been setbacks in the following indicators: use of country procurement systems, aid is more predictable, use of country PFM systems and strengthening capacity by co-ordinated support. It is hoped that actions taken by the government and international community and renewed commitment to the reconstruction and development of Afghanistan will have positive effects in the future.

In the aftermath of the Paris Declaration, alignment was mostly understood and interpreted in Afghanistan as donor alignment with government development needs, strategies and programmes. Alignment of donor programmes with the Afghan government's systems was not considered a priority in the earlier periods as some systems were not yet appropriately developed. Now that some of the systems have been under development for a few years, indicators for donor alignment with government systems can be examined.

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

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

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

Progress has been made in Afghanistan's public financial management system since 2007 with its score increasing from 3.0 to 3.5. A score of 3.5 indicates an average quality of PFM systems within the country. The government has also performed well in the delivery of financial management and institutional reforms. A range of initiatives have been taken to strengthen the national public finance management system, including an annual budget allocation process moving towards performance based budget management, accountability and financial management, and procurement regulations aiming to meet international standards. However, there are still challenges remaining in terms of lack of resources and capacity, and lack of detailed analysis and recommendations of the public financial management experts. The Afghan government says it is making immense efforts on the operation of a PFM system to international standards. The PFM implementation monitoring will be the responsibility of the Ministry of Finance.

INDICATOR 2

Building reliable country systems

INDICATOR 2a

How reliable are country public financial management systems?

INDICATOR 2b

How reliable are country procurement systems?

Indicator 2b was first measured in 2008 by 17 countries. The process is one of self-assessment, using the Methodology for the Assessment of National Procurement Systems developed by the OECD-DAC Task Force on Procurement. The methodology includes baseline indicators to compare a country's systems to internationally-accepted good practice, as well as a new set of indicators. These indicators assess overall performance of the system, compliance with national legislation and standards and whether there is a reform programme in place to promote improved practices. The results are expressed as grades on a four-point scale running from A (the highest) to D (the lowest). The 2010 target is for a third of partner countries to move up at least one measure (*i.e.* from D to C, C to B or B to A) although not all countries will perform an assessment.

There is no score available regarding the reliability of Afghanistan's procurement programme; therefore no further analysis can be made. A Procurement Policy Unit (PPU) in Afghanistan has been established within the Ministry of Finance, mandated to increase transparency and build procurement capacity in line ministries. Afghanistan Procurement Law assigns key functions to PPU under the Ministry of Finance for policy and professional development as well as for performance monitoring in the field of procurement. The Government of Afghanistan implemented a procurement reform programme, which improved governance in the area of public procurement with a view to achieve transparency, accountability and efficiency through introduction of measures in the areas of legal and institutional framework development. A number of serious constraints and challenges have been identified including limited procurement capacity at all levels in the government and lack of ownership in procurement. Line ministries and donors have also commented that the procurement system of Afghanistan is too complex and results in delays and low execution rates of projects.

INDICATOR 3

Aligning aid flows on national priorities

Comprehensive and transparent reporting on aid, and its use, helps ensure that donors align aid flows with national development priorities. When aid directed to the government sector is fully and accurately reflected in the national budget it indicates that aid programmes are well connected with country policies and processes. This also allows partner country authorities to present accurate and comprehensive budget reports to their parliaments and citizens.

As a proxy for alignment, indicator 3 measures the percentage of aid disbursed by donors for the government sector that is included in the annual budget for the same fiscal year. The indicator reflects two components: the degree to which aid is aligned with government priorities, and the extent to which aid is captured in government's budget preparation process. Budget estimates can be higher or lower than disbursements by donors and are treated similarly for the purpose of measuring indicator 3 despite the different causes.

The 2010 target is to halve the proportion of aid flows that are not currently reported on government budgets, with at least 85% of aid reflected in the budget.

The national budget is expected to be the key mechanism to deliver the Afghanistan National Development Strategy and as a consequence the proportion of official development assistance (ODA) channelled through the national budget will be a key indicator to determine the level of alignment of development support to the national development strategy. In 2010 27% of Afghanistan's incoming aid was aligned with national priorities. The government estimates that aid from the Asian Development Bank and GAVI Alliance is greater than what is actually distributed. For most of the donors, the amount of aid distributed is less than the government's estimates. The results presented in the table above show a discrepancy between the data included in the budget and data reported by donors. The reason for the discrepancies between the national budget and actual disbursement can partly be explained by double counting of expected aid during the implementation process by donor and government executing agencies and inadequate absorption capacity of line ministries. The discrepancy is in both directions – some budget estimates are higher than the donor disbursements, some are lower. From the available calculations of scores from the previous years it can be concluded that the alignment of incoming aid has declined in the past five years.

	Government's budget estimates of aid flows in 2010 (USD m) a	Aid disbursed by donors for government sector in 2010 (USD m) b	2005		2007		2010*		Total aid disbursed through other donors (USD m)
			(for reference)		(for reference)		(%)		
							c = a / b	c = b / a	
[Other donors]	0	9	--	--	--	--	0%	--	0
Asian Dev. Bank	134	120	29%	67%	--	--	89%	--	0
Australia	0	0	30%	19%	--	--	--	--	25
Belgium	--	--	--	32%	--	--	--	--	0
Canada	0	0	84%	89%	--	--	--	--	126
Czech Republic	0	2	--	--	--	--	10%	--	0
Denmark	--	--	93%	--	67%	--	--	--	0
EU Institutions	0	112	62%	64%	0%	--	--	--	79
Finland	0	0	59%	27%	--	--	--	--	9
France	0	0	0%	90%	--	--	--	--	0
GAVI Alliance	10	5	0%	--	--	--	53%	--	0
Germany	0	197	81%	79%	0%	--	--	--	0
Global Fund	2	4	--	57%	59%	--	--	--	0
Hungary	--	--	--	--	--	--	--	--	0
India	--	--	48%	--	--	--	--	--	0
IOM	0	17	--	--	--	--	0%	--	0
Isl.Dev Bank	--	--	--	--	32%	--	--	--	0
Italy	10	26	--	69%	38%	--	--	--	18
Japan	49	50	35%	96%	98%	--	--	--	444
Korea	--	--	--	43%	--	--	--	--	0
Netherlands	3	50	77%	76%	6%	--	--	--	49
New Zealand	1	0	--	0%	--	--	0%	--	0
Norway	0	0	91%	--	--	--	--	--	65
Spain	--	--	--	0%	--	--	--	--	0
Sweden	0	0	46%	90%	--	--	--	--	51
Switzerland	2	1	45%	23%	50%	--	--	--	9
Turkey	0	15	0%	0%	0%	--	--	--	0
United Kingdom	4	104	37%	78%	4%	--	--	--	37
United Nations	274	844	22%	62%	32%	--	--	--	8
United States	152	2 919	12%	47%	5%	--	--	--	265
World Bank	852	990	62%	99%	86%	--	--	--	0
Average donor ratio			46%	54%	30%				
Total	1 494	5 465	55%	69%	27%				1 186

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

One of the major issues in this arena is the incomplete reporting of aid distribution by donors, which needs to improve, supported by strengthened government data recording systems. The Afghan government believes that donor claims of alignment of their programmes with government priorities are exaggerated. It does not consider donor projects which support concepts related to security, rule of law and governance and social and economic development as aligned with government's priority needs and government development programmes in these sectors *i.e.* they are aligned with broad but not specific priorities. The government wants donors to align their projects with government designed and implemented programmes.

There are often discrepancies in the reporting and recording of aid commitments and disbursements due to the existence of different modalities. This issue is major but it must be resolved so that the discrepancies are narrowed down gradually.

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

TABLE 3:
Are government budget estimates comprehensive and realistic?

INDICATOR 7
Providing more predictable aid

Indicator 7 examines the in-year predictability of aid for the government sector by measuring the proportion of planned disbursements (as reported by donors) that are recorded by governments in their accounting system as having been disbursed. Indicator 7 therefore assesses two aspects of predictability. The first is the ability of donors to disburse aid according to schedule. The second is the ability of government to record disbursements for the government sector as received in its accounting system. Indicator 7 is designed to encourage progress in relation to both, with the aim of halving the proportion of aid not disbursed (and not captured in the government's accounting system) within the fiscal year for which it was scheduled by 2010. The ultimate goal is to improve not only the predictability of disbursements, but also the accuracy with which they are recorded in government systems – an important element to support ownership, accountability and transparency.

In the absence of predictable aid, the Afghan government is unable to undertake annual planning, let alone longer term planning.

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

	Disbursements recorded by government in 2010	Aid scheduled by donors for disbursement in 2010	2005		2007		2010*		For reference: Aid disbursed by donors for government sector in 2010	For reference: % of scheduled aid disbursements reported as disbursed by donors in 2010**	
	(USD m) a	(USD m) b	(for reference)	(for reference)	(for reference)	(for reference)	(%) c = a / b	(%) c = b / a	(USD m) d	(%) e = d / b	(%) e = b / d
[Other donors]	0	12	--	--	--	--	0%	--	5	46%	--
Asian Dev. Bank	134	218	67%	56%	62%	--	--	240	--	91%	
Australia	0	0	44%	17%	--	--	--	0	--	--	
Belgium	--	--	--	0%	--	--	--	--	--	--	
Canada	0	0	78%	89%	--	--	--	0	--	--	
Czech Republic	0	2	--	--	13%	--	--	2	--	94%	
Denmark	--	--	50%	56%	--	--	--	--	--	--	
EU Institutions	0	151	97%	34%	0%	--	--	123	82%	--	
Finland	0	0	9%	50%	--	--	--	0	--	--	
France	0	10	0%	23%	0%	--	--	3	34%	--	
GAVI Alliance	10	20	0%	--	51%	--	--	20	98%	--	
Germany	0	267	0%	68%	0%	--	--	267	100%	--	
Global Fund	2	2	--	98%	--	87%	--	3	--	68%	
Hungary	--	--	--	--	--	--	--	--	--	--	
India	--	--	0%	--	--	--	--	--	--	--	
IOM	0	20	--	--	0%	--	--	20	100%	--	
Isl.Dev Bank	--	--	--	0%	--	--	--	--	--	--	
Italy	10	16	--	63%	61%	--	--	16	100%	--	
Japan	49	131	64%	27%	37%	--	--	131	100%	--	
Korea	--	--	--	0%	--	--	--	--	--	--	
Netherlands	3	99	92%	83%	3%	--	--	50	50%	--	
New Zealand	1	0	--	--	0%	--	--	0	--	--	
Norway	0	0	51%	--	--	--	--	0	--	--	
Spain	--	--	--	58%	--	--	--	--	--	--	
Sweden	0	0	69%	46%	--	--	--	0	--	--	
Switzerland	2	0	64%	8%	0%	--	--	1	--	0%	
Turkey	0	28	0%	0%	0%	--	--	20	74%	--	
United Kingdom	4	196	56%	94%	2%	--	--	147	75%	--	
United Nations	274	1 123	5%	21%	24%	--	--	952	85%	--	
United States	152	3 173	23%	64%	5%	--	--	2 778	88%	--	
World Bank	852	925	17%	80%	92%	--	--	563	61%	--	
Average donor ratio			39%	45%	23%				75%		
Total	1 494	6 392	84%	70%	23%			5 342	84%		

* Ratio is c=a/b except where disbursements recorded by government are greater than aid scheduled for disbursement (c=b/a).

** Ratio is e=d/b except where disbursements recorded by donors are greater than aid scheduled for disbursement (e=b/d).

The gap between aid disbursements recorded by the Afghan government (USD 1 494 million) and aid scheduled for disbursement by donors (USD 6 393 million) was large in 2010. The main donors that contributed to the gap were the United States, the United Nations and the United Kingdom. Only 23% of scheduled disbursements were recorded by the government in 2010, a very low figure especially when compared to the previous surveys; 84% of aid was predictable in 2005, decreasing to 70% in 2007.

One of the reasons behind this is the donors' perceived lack of accountability in the Afghan government, which is a contributory factor to unpredictability. While the government and donors had jointly agreed on several initiatives to close the gap between planned ODA pledges, commitments and actual disbursements, major discrepancies still exist. It is also acknowledged that data collection and recording are often not accurate. A number of challenges exist; one of them is that the government is not keeping records of off-budget disbursements for the government sector.

Another reason for this was the different interpretations of aid disbursements among donors during the survey. As per the survey guidelines, to avoid double counting, the donor which administered and made the final disbursement to the government had to report on those funds. However, this became complicated in the case of Afghanistan where a large amount of funds to the government sector were managed through multi-donor trust funds which were administered by a single donor. For instance, the UK gave a large amount of aid to the government of Islamic Republic of Afghanistan non-budget through the Afghanistan Reconstruction Trust Fund (ARTF), where in fact this contribution was channelled through the ARTF and administered under the World Bank banner. The same applies to aid given by Canada through the ARTF.

To improve the predictability of donors' disbursements, the government endorsed the Harmonised Reporting Format which was introduced and implemented by the Aid Management Unit of the Ministry of Finance in 2007 to capture maximum information on aid flows in Afghanistan. In addition, following donor approval the Development Assistance Database is now available online for donors to access information on aid in Afghanistan and to align their activities with the government's priorities and requirements. However, the database does not contain complete information on projects in Afghanistan at present and work to complete the database is still in progress. The Aid Management Directorate of the Ministry of Finance now assumes a key role in collecting financial information from donors through the Development Cooperation Report. Furthermore, donor practices need to be improved to support and correspond to the budget process in order to improve the situation with aid predictability in Afghanistan.

Capacity constraints present significant challenges to development and poverty reduction efforts and their sustainability. These relate both to aid management capacities (the ability of the government to capture, co-ordinate and utilise aid flows more effectively) and also to broader capacities for the design and implementation of policies and service delivery.

Under the Paris Declaration donors committed to providing technical co-operation that is co-ordinated with partner country strategies and programmes. This approach aims to strengthen capacities while also responding to the needs of partner countries. Successful capacity development is led by the partner country.

Indicator 4 focuses on the extent to which donor technical co-operation (an important input into capacity development) is country-led and well co-ordinated. It captures the extent to which technical co-operation is aligned with objectives articulated by country authorities, whether country authorities have control over this assistance, and whether arrangements are in place to co-ordinate support provided by different donors. The Paris Declaration target is for 50% of technical co-operation flows to be implemented through co-ordinated programmes that are consistent with national development strategies by 2010.

The share of technical co-operation disbursements through co-ordinated programmes in support of capacity development in Afghanistan for 2010 is 24%, a figure much lower than the 50% target set for 2010. In addition, the information on the accumulation of human capital in the public sector in the previous surveys

INDICATOR 4

Co-ordinating support to strengthen capacity

recorded higher level of technical co-operation co-ordinated with country programmes. However, significant progress has been made to increase the co-ordination of technical assistance, including the establishment of the Civilian Technical Assistance Programme (CTAP) in 2009 and the recent approval of the Management Capacity Programme (MCP). CTAP has been developed as a demand-driven programme in which government agencies are allowed to request teams of international technical advisers to implement medium-term capacity development projects. CTAP promotes ownership by ensuring that the requesting agency plays a leading role in the design of the capacity development projects. Likewise, the MCP will support the interim buy-in of critical management capacity of line ministries. The purpose of the programme is to improve the utilisation and cost effectiveness of donor resources and generate faster and better development results on the ground. In general, according to the GoIRA, technical assistance and capacity building in Afghanistan has not had a good track record. Monitoring of capacity building with strict indicators will be required.

The World Bank has expanded the administered Capacity Development Programme along with the programme-based approach to technical assistance in consultation with the government. One of the main barriers to achieving progress is the lack of integration of technical assistance into institution-wide approaches based on comprehensive human resource needs assessments. Furthermore, there is a lack of strong donor co-ordination mechanisms to co-ordinate technical assistance in each sector. Donors have cited that a key challenge is the difference between the expected or needed delivery of development results and the low capacity of public institutions to deliver such results in a timely manner.

TABLE 5:
How much technical co-operation is co-ordinated with country programmes?

	Co-ordinated technical co-operation (USD m)	Total technical co-operation (USD m)	2005 (for reference)	2007 (for reference)	2010 (%) c = a / b
	a	b			
[Other donors]	1	1	--	--	100%
Asian Dev. Bank	3	3	0%	100%	100%
Australia	6	11	100%	100%	57%
Belgium	--	--	--	--	--
Canada	5	74	--	0%	7%
Czech Republic	0	5	--	--	0%
Denmark	--	--	100%	92%	--
EU Institutions	4	16	0%	76%	25%
Finland	0	4	100%	100%	0%
France	0	0	0%	0%	--
GAVI Alliance	0	0	--	--	--
Germany	1	71	0%	17%	1%
Global Fund	0	0	--	--	--
Hungary	--	--	--	0%	--
India	--	--	100%	--	--
IOM	2	16	--	--	12%
Isl.Dev Bank	--	--	--	--	--
Italy	0	4	--	0%	0%
Japan	38	38	0%	0%	100%
Korea	--	--	--	100%	--
Netherlands	3	3	--	73%	100%
New Zealand	1	1	--	--	92%
Norway	0	0	85%	--	--
Spain	--	--	--	--	--
Sweden	4	4	100%	100%	100%
Switzerland	0	0	25%	0%	--
Turkey	2	3	85%	100%	64%
United Kingdom	33	87	4%	41%	38%
United Nations	190	265	78%	62%	71%
United States	337	2222	20%	42%	15%
World Bank	57	57	100%	100%	100%
Total	686	2 884	37%	54%	24%

Donor use of a partner country's established institutions and systems increases aid effectiveness by strengthening the government's long-term capacity to develop, implement and account for its policies to both its citizens and its parliament. The Paris Declaration commits donors to increase their use of country systems that are of sufficient quality, and to work with partner countries to strengthen systems that are currently weak. Indicator 5 is directly linked to indicator 2 on the quality of public financial management (PFM) and procurement systems.

INDICATOR 5

Using country systems

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

	Aid disbursed by donors for government sector (USD m) a	Public financial management						Procurement			
		Budget execution (USD m) b	Financial reporting (USD m) c	Auditing (USD m) d	2005 (for reference)	2007 (for reference)	2010 (%) avg(b,c,d)/a	Proc. systems (USD m) e	2005 (for reference)	2007 (for reference)	2010 (%) e/a
[Other donors]	5	0	0	0	--	--	0%	0	--	--	0%
Asian Dev. Bank	240	237	237	237	67%	100%	99%	237	0%	100%	99%
Australia	0	0	0	0	--	31%	--	0	--	0%	--
Belgium	--	--	--	--	--	79%	--	--	--	79%	--
Canada	0	0	0	0	50%	100%	--	0	50%	0%	--
Czech Republic	2	1	0	0	--	--	12%	1	--	--	35%
Denmark	--	--	--	--	50%	100%	--	--	50%	61%	--
EU Institutions	123	0	0	0	0%	48%	0%	0	0%	48%	0%
Finland	0	0	0	0	0%	100%	--	0	0%	100%	--
France	3	0	0	0	33%	0%	0%	3	0%	0%	100%
GAVI Alliance	20	0	0	0	33%	--	0%	0	0%	--	0%
Germany	267	77	77	77	9%	52%	29%	208	27%	69%	78%
Global Fund	3	3	0	0	67%	22%	33%	0	0%	0%	0%
Hungary	--	--	--	--	--	--	--	--	--	--	--
India	--	--	--	--	0%	--	--	--	0%	--	--
IOM	20	0	0	0	--	--	0%	0	--	--	0%
Isl.Dev Bank	--	--	--	--	--	100%	--	--	--	100%	--
Italy	16	16	16	0	--	0%	67%	16	--	1%	100%
Japan	131	7	7	7	15%	36%	6%	7	15%	40%	6%
Korea	--	--	--	--	--	0%	--	--	--	0%	--
Netherlands	50	0	0	0	60%	75%	0%	0	60%	0%	0%
New Zealand	0	0	0	0	--	39%	--	0	--	0%	--
Norway	0	0	0	0	83%	--	--	0	83%	--	--
Spain	--	--	--	--	--	100%	--	--	--	0%	--
Sweden	0	0	0	0	100%	40%	--	0	100%	40%	--
Switzerland	1	0	0	0	0%	92%	0%	0	4%	82%	0%
Turkey	20	0	0	0	0%	0%	0%	0	100%	0%	0%
United Kingdom	147	1	1	8	100%	74%	2%	1	100%	2%	1%
United Nations	952	572	627	37	0%	42%	43%	126	0%	17%	13%
United States	2 778	149	0	0	100%	6%	2%	0	100%	6%	0%
World Bank	563	563	563	563	100%	88%	100%	0	100%	0%	0%
Total	5 342	1 626	1 529	930	44%	48%	25%	600	44%	18%	11%

Indicator 5a measures the extent to which donors use partner country PFM systems when providing funding for the government sector. It measures the volume of aid that uses partner country PFM systems (budget execution, financial reporting and auditing) as a proportion of total aid disbursed for the government sector. The 2010 target is set relative to indicator 2a on the quality of PFM systems. For partner countries with a score of 5 or above on Indicator 2a scale the target is for a two-thirds reduction in the proportion of aid to the public sector not using the partner country's PFM systems. For partner countries with a score between 3.5 and 4.5 on indicator 2a, the target is a one-third reduction in the proportion of aid to the public sector not using partner country's PFM systems. There is no target for countries scoring less than 3.5.

INDICATOR 5a

Use of country public financial management systems

In 2010, 25 % of aid disbursed for the government used Afghanistan's public financial management systems. Over the past five years, there has been a setback on improving the use of the country's PFM systems; in 2005, 44% of aid used the country's PFM systems, rising to 48% in 2007. Only the World Bank was using Afghanistan's PFM systems for 100% of the aid it disbursed to the government in 2010. Only two other donors (the Asian Development Bank and Italy) used the country's PFM systems for over half of their funds, with all other donors making little or no use of Afghanistan's PFM systems. The main constraints in using Afghanistan's PFM systems are lack of absorptive capacity in line ministries to effectively execute budgets and lack of donor confidence in the government's systems due to widespread corruption.

INDICATOR 5b

Use of country procurement systems

Indicator 5b follows a similar graduated target to indicator 5a which is set relative to indicator 2b on the quality of procurement systems. For partner countries with a procurement score of 'A', a two-thirds reduction in the proportion of aid for the public sector not using the country's procurement systems and for partner countries with a procurement score of 'B' to reduce the gap by one-third.

In 2010, 11% of aid directed to the government sector used Afghanistan's procurement systems. There has been a decline in the use of the country's procurement systems since 2005 dropping from 44% to 11%. The reason behind this is lack of donor confidence in the procurement system of Afghanistan and the continuing governance issues. Some donors like the EU Institutions, the Netherlands and Switzerland refrain from using Afghanistan's procurement systems, while other donors, like the United Kingdom have plans to increase their usage. Despite this consistent downward trend in the past five years, the Government of Afghanistan has taken tangible steps to reform and upgrade the country's procurement systems. Upon completion of the legal framework including country specific standard bidding documents, the procurement systems in Afghanistan shall be fully compliant with internationally accepted norms.

INDICATOR 6

Avoiding parallel implementation structures

When providing development assistance, some donors establish dedicated project management units or implementation units (PIUs) – to support development projects or programmes. A PIU is said to be "parallel" when it is created by the donor and operates outside existing country institutional and administrative structures. In the short term, parallel PIUs can play a useful role in establishing good practice and promoting effective project management. However, in the long run, parallel PIUs often tend to undermine national capacity development efforts, distort salaries and weaken accountability for development.

To make aid more effective, the Paris Declaration encourages donors to "avoid, to the maximum extent possible, creating dedicated structures for day-to-day management and implementation of aid-financed projects and programmes." Indicator 6 counts the number of parallel PIUs being used in partner countries. The target is to reduce by two-thirds the number of parallel PIUs in each partner country between 2005 and 2010.

The target set for 2010 was to have nine parallel project implementation units (PIUs), but this was not met. The actual number of PIUs in 2010 in Afghanistan was 28. This figure was also 28 in 2005 decreasing to 26 in 2007. Parallel PIUs were created to support project implementation in line ministries that often lack skilled staff for accounting, financial management and reporting. In addition, parallel PIUs were established to facilitate frequent communication between donor-funded projects and the Government of Afghanistan, to provide greater transparency to line ministries' service delivery, and to strengthen local capacities and transfer adequate knowledge to government employees.

However, parallel PIUs run the risk of establishing implementation systems similar to existing line ministries' implementation plans and therefore cause duplication. The World Bank encourages a programmatic approach whereby donor-funded and government-funded programmes use the same implementation unit for their processing needs. In addition, the recently approved Management Capacity Programme financed by the Afghanistan Reconstruction Trust Fund (ARTF) aims to attract skilled Afghans into government positions, which is expected to increase the capacity of domestic institutions and help towards decreasing donor dependence on parallel systems. The country report suggests that further action is required in order to minimise parallel PIUs and achieve integration within the government system.

	Parallel PIUs		
	2005 (for reference)	2007 (for reference)	2010 (units)
[Other donors]	--	--	0
Asian Dev. Bank	0	0	0
Australia	--	0	0
Belgium	--	0	--
Canada	0	0	0
Czech Republic	--	--	1
Denmark	0	0	--
EU Institutions	0	0	0
Finland	0	1	0
France	0	0	0
GAVI Alliance	0	--	0
Germany	0	0	0
Global Fund	0	0	0
Hungary	--	2	--
India	0	--	--
IOM	--	--	0
Isl.Dev Bank	--	2	--
Italy	--	1	3
Japan	0	0	0
Korea	--	0	--
Netherlands	0	0	0
New Zealand	--	0	0
Norway	0	--	0
Spain	--	0	--
Sweden	0	0	0
Switzerland	1	1	0
Turkey	0	0	2
United Kingdom	2	2	0
United Nations	23	17	20
United States	2	0	2
World Bank	0	0	0
Total	28	26	28

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

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

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

The level of untied bilateral aid in Afghanistan in 2010 was 83%, which exceeded the target of 81% set for that year. Based on the data from previous years, there has been a small increase from 81% in 2005, but a decrease from 91% in 2007. Out of USD 4 331 million of bilateral aid reported, USD 3 585 million was untied. Initial feedback from major donors confirms that most of their aid to Afghanistan is untied. The European Union Delegation to Afghanistan, Australia, Aga Khan Development Network (AKDN) and the Netherlands, for example, report all aid to Afghanistan as untied. However, reporting the actual percentage of untied aid channelled to Afghanistan is hardly possible, since the OECD collects data regarding the level of untied aid directly from member countries. ■

INDICATOR 8
Untying aid

TABLE 8:
How much bilateral aid
is untied?

	Total bilateral aid as reported to the DAC in 2009	Untied aid	2005 (for reference)	2007 (for reference)	Share of untied aid
Australia	84.6	84.6	100%	100%	100%
Austria	0.7	0.3	10%	1%	49%
Belgium	11.5	11.5	100%	100%	100%
Canada	27.3	27.0	89%	85%	99%
Denmark	39.0	39.0	100%	100%	100%
Finland	24.5	24.5	98%	100%	100%
France	58.9	58.4	23%	95%	99%
Germany	116.6	105.5	39%	93%	90%
Greece	6.4	6.4	--	31%	100%
Ireland	7.2	7.2	100%	100%	100%
Italy	68.5	65.7	85%	82%	96%
Japan	141.6	141.6	100%	100%	100%
Korea	6.4	5.2	--	0%	81%
Luxembourg	3.7	3.7	100%	100%	100%
Netherlands	286.6	286.5	100%	100%	100%
New Zealand	7.6	7.4	54%	100%	98%
Norway	141.3	141.3	100%	100%	100%
Spain	51.6	35.9	68%	99%	70%
Sweden	86.4	86.4	100%	100%	100%
Switzerland	28.0	28.0	83%	97%	100%
United Kingdom	296.8	296.8	100%	100%	100%
United States	2842.3	2128.5	71%	89%	75%
Total	4 338	3 592	81%	91%	83%

Source: OECD Creditor Reporting System.

HARMONISATION

POOR CO-ORDINATION OF AID increases the cost to both donors and partner countries and significantly reduces the real value of aid. Harmonisation of aid delivery procedures and the adoption of common arrangements help reduce duplication of effort and lower the transaction costs associated with aid management. The Paris Declaration focuses on two dimensions of aid as a proxy for assessing overall harmonisation: the use of common arrangements within programme-based approaches (PBAs) and the extent to which donors and partner countries conduct joint missions and co-ordinate analytic work.

Aid effectiveness is enhanced when donors use common arrangements to manage and deliver aid in support of partner country priorities. A good mechanism for aid co-ordination can be described as one that has shared objectives and integrates the various interests of stakeholders. Indicator 9 assesses the degree to which donors work together – and with partner governments and organisations – by measuring the proportion of total ODA disbursed within programme-based approaches (PBAs). In practice, there are many different approaches and modalities which can use PBAs and harmonisation takes place at various levels.

At one level, the partner country is responsible for defining clear, country-owned programmes (*e.g.* a sector programme or strategy) and establishing a single budgetary framework that captures all resources (both domestic and external). At another level, donors are responsible for taking steps to use local systems for programme design and implementation, financial management, monitoring and evaluation. Finally, partner countries and donors are jointly responsible for donor co-ordination and harmonisation of donor procedures. The 2010 target is that two-thirds of aid flows are provided in the context of PBAs.

INDICATOR 9 Using common arrangements

	Programme-based approaches			Total aid disbursed (USD m) d	2005 (for reference)	2007 (for reference)	2010 (%) e = c / d
	Budget support (USD m) a	Other PBAs (USD m) b	Total (USD m) c = a + b				
[Other donors]	5	0	5	12	--	--	46%
Asian Dev. Bank	237	0	237	240	71%	34%	99%
Australia	0	0	0	105	100%	23%	0%
Belgium	--	--	--	--	--	0%	--
Canada	0	0	0	78	76%	70%	0%
Czech Republic	0	5	5	5	--	--	97%
Denmark	--	--	--	--	67%	63%	--
EU Institutions	0	108	108	135	61%	77%	80%
Finland	0	3	3	11	0%	9%	28%
France	0	0	0	6	0%	5%	0%
GAVI Alliance	0	20	20	20	100%	--	100%
Germany	96	13	109	267	0%	49%	41%
Global Fund	0	3	3	7	100%	65%	43%
Hungary	--	--	--	--	--	0%	--
India	--	--	--	--	0%	--	--
IOM	26	0	26	26	--	--	100%
Isl.Dev Bank	--	--	--	--	--	100%	--
Italy	16	0	16	33	--	0%	50%
Japan	0	31	31	149	140%	0%	21%
Korea	--	--	--	--	--	0%	--
Netherlands	0	0	0	66	100%	67%	0%
New Zealand	0	1	1	3	--	26%	20%
Norway	8	0	8	35	42%	--	24%
Spain	--	--	--	--	--	0%	--
Sweden	0	0	0	22	30%	0%	0%
Switzerland	0	0	0	1	30%	34%	0%
Turkey	0	16	16	21	0%	0%	77%
United Kingdom	4	0	4	190	71%	79%	2%
United Nations	605	344	949	1 035	14%	51%	92%
United States	35	0	35	2 778	29%	21%	1%
World Bank	216	347	563	563	100%	75%	100%
Total	1 251	891	2 142	5 807	43%	40%	37%

TABLE 9:
How much aid is
programme based?

In 2010, Afghanistan indicated a 37% usage of programme-based approaches, falling short of the 66% target. There has been a decline in the use of common arrangements or procedures in programme-based approaches (PBAs) since 2005 (at 43%). Out of a total ODA of USD 2 142 million, only USD 891 million supports some type of PBA. GAVI Alliance and the World Bank are the only donors that have 100% programme-based aid distribution, but 16 donors allocated at least some aid via PBAs in 2010, of which eight used budget support.

The use of common arrangements and sector-wide approaches facilitates the implementation of development projects in Afghanistan. Donors seem to have interpreted the four criteria set out in the survey guidance differently. This makes it difficult to give a fair assessment regarding the use of programme-based approaches. Overall, donors are increasingly using common arrangements in Afghanistan: the Afghanistan Reconstruction Trust Fund (ARTF) focuses on common arrangements, and key donors in Afghanistan have developed joint financing arrangements. Therefore one expects an improvement on the use of common arrangements in the next five years.

A common complaint of partner countries is that donors make too many demands on their limited resources: country authorities spend too much time meeting with donor officials and responding to their many requests. The Paris Declaration recognises that donors have a responsibility to ensure that, to the greatest extent possible, the missions and analytical work they commission are undertaken jointly – *i.e.* that the burden of such work is shared. The 2010 target is that 40% of donor missions to the field are conducted jointly.

INDICATOR 10a
Joint missions

TABLE 10:
How many donor
missions are
co-ordinated?

	Co-ordinated donor missions* (missions) a	Total donor missions (missions) b	2005* (for reference)	2007* (for reference)	2010* (%) c = a / b
[Other donors]	0	11	--	--	0%
Asian Dev. Bank	0	28	0%	--	0%
Australia	0	3	100%	100%	0%
Belgium	--	--	--	--	--
Canada	1	4	0%	7%	25%
Czech Republic	0	0	--	--	--
Denmark	--	--	33%	--	--
EU Institutions	0	8	0%	86%	0%
Finland	0	1	--	0%	0%
France	0	6	0%	0%	0%
GAVI Alliance	0	0	--	--	--
Germany	0	16	10%	100%	0%
Global Fund	1	2	0%	--	50%
Hungary	--	--	--	100%	--
India	--	--	0%	--	--
IOM	0	0	--	--	--
Isl.Dev Bank	--	--	--	50%	--
Italy	0	2	--	0%	0%
Japan	0	20	--	7%	0%
Korea	--	--	--	33%	--
Netherlands	0	15	100%	100%	0%
New Zealand	0	1	--	100%	0%
Norway	0	0	33%	--	--
Spain	--	--	--	--	--
Sweden	0	4	10%	--	0%
Switzerland	1	20	0%	0%	5%
Turkey	0	58	100%	100%	0%
United Kingdom	0	5	14%	100%	0%
United Nations	37	132	58%	83%	28%
United States	0	390	60%	0%	0%
World Bank	32	60	0%	100%	53%
Total	47	786	26%	37%	6%

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

Out of a total of 786 joint missions conducted, only 47 (6%) were co-ordinated joint missions. This is significantly fewer than the target goal of 40% for the year 2010. The number of co-ordinated missions has decreased since 2005 (26%).

Afghanistan seemed likely to meet the target in 2007, when it reached 37%; however, the number of co-ordinated joint missions went down in 2010. Most donors co-ordinate fewer than 50% of their missions, while only the World Bank and the Global Fund co-ordinated the majority of their joint missions in 2010. However, the United Nations Country Team often encourages donors to co-ordinate their missions with other donors.

INDICATOR 10b
Joint country
analytic work

Country analytic work is the analysis and advice necessary to strengthen policy dialogue, and to develop and implement country strategies. It includes country or sector studies and strategies, country evaluations and discussion papers. The Paris Declaration foresees that donors should conduct analytic work jointly where possible as it helps curb transaction costs for partner authorities, avoids unnecessary duplicative work and helps to foster common understanding. Indicator 10b measures the proportion of country analytic work that is undertaken jointly. The 2010 target is that 66% of country analytic work is carried out jointly.

	Co-ordinated donor analytic work* (units) a	Total donor analytic work (units) b	2005* (for reference)	2007* (for reference)	2010* (%) c = a / b
[Other donors]	0	0	--	--	--
Asian Dev. Bank	0	0	0%	0%	--
Australia	0	1	--	--	0%
Belgium	--	--	--	--	--
Canada	9	9	67%	--	100%
Czech Republic	0	3	--	--	0%
Denmark	--	--	33%	--	--
EU Institutions	0	6	0%	100%	0%
Finland	0	0	--	--	--
France	0	1	0%	0%	0%
GAVI Alliance	0	0	--	--	--
Germany	1	1	0%	--	100%
Global Fund	0	2	--	0%	0%
Hungary	--	--	--	50%	--
India	--	--	100%	--	--
IOM	13	13	--	--	100%
Isl.Dev Bank	--	--	--	0%	--
Italy	0	0	--	--	--
Japan	0	1	0%	0%	0%
Korea	--	--	--	0%	--
Netherlands	2	10	--	0%	20%
New Zealand	0	0	--	--	--
Norway	0	1	33%	--	0%
Spain	--	--	--	--	--
Sweden	0	13	32%	--	0%
Switzerland	0	0	--	0%	--
Turkey	0	1	100%	--	0%
United Kingdom	0	3	0%	57%	0%
United Nations	61	99	58%	84%	62%
United States	1	25	0%	0%	4%
World Bank	6	11	63%	82%	55%
Total	70	200	34%	32%	35%

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

The 2011 Survey for Afghanistan shows that only 35% of total donor analytical work was co-ordinated; therefore the target of 66% was not met. Canada and Germany were the only donors that co-ordinated 100% of their analytical work; all other donors co-ordinated less than half of their analytical work. However, there is a positive trend as the percentage of co-ordinated analytical work increased from 32% in 2007. Moreover, donors participate in a range of joint working groups and donor co-ordination meetings to improve the rationalisation and co-ordination of the country's analytical work.

AID FRAGMENTATION

Fragmented aid – aid that comes in many small slices from a large number of donors – creates high transaction costs and makes it difficult for partner countries effectively to manage their own development. Aid fragmentation also increases the risk of duplication and inefficient aid allocation among donors. A pilot analysis on fragmentation of country programmable aid carried out at the country level by the OECD in collaboration with GIZ reveals that aid fragmentation increased from 2005-09 alongside an increase in country programmable aid (OECD 2011b). Overall fragmentation has increased in Afghanistan since 2005, while CPA has decreased, indicating a negative trend. However, there are positive trends in agriculture, general budget support and some other sectors. ■

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

MANAGING FOR RESULTS

INDICATOR 11

Do countries have results-oriented monitoring frameworks?

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

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

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

Afghanistan's score on results-based monitoring for 2010 is C (improved from D in 2007). The Afghanistan National Development Strategy (ANDS) has a monitoring and evaluation (M&E) framework. Line ministries and the Central Statistic Office, according to the design of this framework, are the responsible bodies for generating and analysing the data at the programme and ministry levels. The data is then analysed at the sector levels by inter-ministerial commissions. Finally, the Ministry of Economy conducts information collection, organisation, verification, integration, analysis and preparation activities at the national level. However, coverage of the qualitative and quantitative indicators of the ANDS is not comprehensive. Progress against the ANDS is reported annually in a separate monitoring report. Coverage of the qualitative and quantitative indicators of the ANDS is not comprehensive: no data is available on the percentage of quantitative indicators for which there is baseline data.

Recently, the General Directorate of Budget of the Ministry of Finance has also established the Performance Monitoring and Evaluation Unit. This unit is responsible for evaluating and reporting on the performance of the eight sectors and the line ministries *vis-a-vis* their budget execution. An agreement has been made with the Ministry of Economy in this regard.

The ANDS and its progress report are publically available on the internet and in hardcopy in Dari. Public expenditure data are publically available in hardcopy on a quarterly basis in Dari. Stakeholders' access to information is ensured through reports, publications and websites that are regularly updated. The M&E framework tracks input, process, output and outcome indicators in theory only. This approach has been recently introduced to line ministries and it will take another couple of years to institutionalise it. ■

MUTUAL ACCOUNTABILITY

INDICATOR 12

Mutual accountability

STRONG AND BALANCED MECHANISMS that support accountability are required at all levels for aid to be most effective. Donors and partner country governments should be accountable to their respective publics and to each other for implementing their commitments on aid, its effectiveness, and the results to which it contributes.

Indicator 12 examines whether there is a country-level mechanism for mutual assessment of progress on partnership commitments, including on aid effectiveness. There are three criteria that must all be met: the existence of an aid policy or strategy agreed between the partner country government and donors; specific country-level aid effectiveness targets for both the partner country government and donors; an assessment

towards these targets undertaken by both partner and donors in the last two years, and discussed in a forum for broad-based dialogue.

The 2010 target is for all partner countries to have mutual assessment reviews meeting these criteria in place.

An important aspect of mutual accountability is to have in place country-level mutual assessments of progress in implementing agreed commitments. The Joint Coordination and Monitoring Board holds regular meetings and produces regular public documents. In addition, a performance assessment matrix serves to assess and discuss mutual performance within the framework of the Afghanistan Reconstruction Trust Fund. In response to the Afghanistan National Development Strategy (ANDS), which sets out identified objectives, priorities and costed sector strategies, donors are working to prepare a joint donor strategy. So far, few mechanisms exist to hold donors accountable, or to guarantee effective scrutiny, monitoring and evaluation of donor performance.

The Afghan government is unable to collect information about the expenditure of a large percentage of the total assistance disbursed since 2001. Overall, it is difficult to get information on spending from the security sector, where a large proportion of donor funding is directed. This regards the development spending by the Provincial Reconstruction Teams and the lack of accountability it entailed. Donors do not provide information regarding these projects, most of which are believed not to be directly aligned to the Afghan government's priorities. The quality of aid in light of the security challenges is questionable; this impedes the government and donors from taking mutual responsibility in achieving progress.

The Afghan government notes that the Joint Coordination and Monitoring Board does not totally serve the purpose of critical assessment and accountability, and that it has not been informed about the donor intent of developing a joint donor strategy. ■

NOTES

The quantitative information presented in the chapter is taken from data provided by national co-ordinators up to 31 July 2011, following the data validation process with stakeholders at the country level. It was not possible to modify or correct any data received after this date.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

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