

*The Mozambique Performance  
Assessment Framework for Donors:  
Lessons Learned*

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# Structure of the presentation

- Setting the stage – basic information on the donors' performance evaluation in Mozambique:
  - Drivers of the mutual accountability exercise in Mozambique
  - Brief history of the PAPs' PAF in Mozambique
  - Mechanism of performance assessment
  - What is and what is not evaluated
- Key lessons learned

# Setting the stage – basic information on the donors' performance evaluation in Mozambique

# Drivers of the mutual accountability exercise

- Context of the donors' performance assessment in Mozambique:
  - Two decades of heavy and multi-dimensional aid dependency;
  - Move towards more programmatic forms of aid
    - Rome and Paris declarations – general mood change and international context
    - Concerns over aid effectiveness and efficiency
    - Costs of un-coordination and costs of policy misalignment – the need for discipline
    - Aid as a public finance issue – portfolio composition (budget support on budget) and predictability
    - The role of like-minded, progressive donors – pushing and pulling
    - Mozambique as a “donor darling” story – for how much longer? Quality of aid
  - Second generation of economic, social and political reforms in Mozambique:
    - Incentive for reform – who calls the shots?
    - New forms of donors' interventions with the GoM

# Brief History of donors' performance assessment

- Donors' performance assessment in Mozambique started in 2004:
  - Baseline study to establish the system (2004)
  - First assessment: evaluation of 2004 performance ("Perfect Partners?" report, 2005) – overall evaluation of the situation with respect to harmonization, alignment and GoM ownership and leadership;
  - Developing of a ranking system and updating of the donors' PAF (2005)
  - Second assessment: evaluation of 2005 performance (2006) – focus on portfolio composition and predictability.
  - Third assessment: evaluation of 2006 performance (2007) – focus on individual donor performance, peer review and evaluation of typology of performance

# Mechanism of Performance Assessment

- Mechanism of mutual accountability:
  - Both parties, GoM and donors, have performance assessment frameworks (PAF) with clear indicators and targets
  - Both PAFs have a rolling medium-term perspective; targets are updated every year; indicators may also be changed
  - Changes to either PAF are agreed between the two parties
  - GoM's PAF is based on the PRSP (PARPA II In Mozambique) and the annual, operation Economic and Social Plan (PES), from which indicators are chosen reflecting donor preferences, policy and development fashions, etc. Donors' PAF is influenced by a combination of factors: Paris Declaration, local MoU, concerns of individual donors and of the group, local experience, some GoM inputs, etc. The whole process has been mainly donor driven.
  - The role of the Joint Review (JR) in donors' assessment: 2007 is the first year in which the independent consultant's report is available before the JR starts; involvement of civil society in the Joint Review

# What is and what is not evaluated?

- Donors' performance assessment is limited to Programme Aid Partners (PAPs) – those that deliver General Budget Support
  - 18 key donors: 3 multilaterals (The World Bank, the ADB and the EU) and 15 bilaterals (Denmark, Norway, Finland, Sweden, Switzerland, The Netherlands, Belgium, Germany, France, Spain, Portugal, The UK, Republic of Ireland, Italy and Canada);
  - 80% of known aid (approx. US\$ 1.1 billion per year in the last 3 years), of which
    - 89% of total is aid to the GoM
    - 49% of total is programme aid (so, 40% is project aid)
      - 30% is General Budget Support
      - 18% includes different forms of sector programme aid
      - Provincial Budget Support
    - Only 25% of sector aid is delivered in programmatic manner
- Development Partners Group: the non-PAPs and the role of the United Nations

# Key lessons learned

# Important, but takes time to consolidate

- The first lesson is that the mutual accountability process is very important but takes time to consolidate and is a complex process:
  - Donors need to harmonize procedures, which is significantly more difficult than anticipated;
  - Domestic political processes in the donor countries affect the speed and direction of change, which creates uncertainties and important risks for recipient countries;
  - Donors are at very different stages and hold very different positions with respect to this process; some want to move fast, others are not only slow but hesitant. Who calls the shots?
  - Donors and recipient governments need to take the exercise seriously; thus, need of mechanisms for prompt action after evaluation – what to do in face of results?
  - Process is demanding on government political, institutional and technical capacities to lead – but leading involves history, trust and legitimacy, in addition to, or as part of capacities.
  - The question is how to improve aid effectiveness rather than “naming and shaming”

# How indicators and targets are set

- Unfairness discredits the process/what are donors evaluated about?
  - Recipient is told which trigger indicators are to be chosen from the PRSP and PES
  - Donors choose their own indicators out of international agreements and local negotiation amongst donors; in addition, each donor tends to seek to choose its own target for each indicator, according to its own problems
- Hence, process is asymmetric. In theory, this should be solved by recipient government ownership and leadership. Ownership and leadership are very complex issues (later).
- Importance of peer review and leadership by the most progressive donors.
- Need to be careful in indicator/target designing – possible to measure, uncontroversial, as direct as possible and realistic. Otherwise, nobody implements and excuses will come by the dozen. What are indicators measuring?

# Role of peer review

- Assessment requires
  - To set up an assessment framework
  - A peer review mechanism that makes assessment relevant
- Peer review processes are very complex and compromises are many
- If peer review does not always work, the credibility of the assessment process collapses
- Peer review is both a stick and carrot, but also one way of developing and implementing adequate behavioural rules and best practices
- Peer review locally, internationally and at multilateral levels
- Example of Mozambique with the 2007 evaluation – the cases of Denmark and France and how, for the first time, peer review worked

# Need for good management

- Performance assessment is only one part of a bigger process of harmonization, alignment and mutual accountability. Without the general framework, assessment cannot exist
- The operation of the entire framework can be very time consuming: coordination, negotiation and so on...
- Without appropriate management the whole process can become an administrative nightmare, with serious implications
  - Extremely high information and coordination costs
  - Inaction following assessment leading to credibility collapse
  - Un-sustainability
- One, of many, key issues: avoid multiplication of studies, reports, questionnaires, surveys and the like. It undermines everything.

# One, two or three party evaluation?

- Development cooperation effectiveness and efficiency is a multi-party issue: if one of the parties fails, the performance of the others is affected. Hence, assessment and performance of recipient and donors needs to be a joint process of mutual accountability and responsibility
- Tendency for recipient's evaluation to matter – for example, for financial commitments and disbursements in the future – and the donors' assessment to be a matter of political correctness. This should be avoided from the start. Need for action following evaluation
- Evaluation is not only about procedures, but about success in supporting economic and social development. Thus, need to involve social groups and organizations in the joint evaluation process.

# Institutionalisation of the process

- In Mozambique, donors' evaluation is done by an independent consultant. The process has been working well but it is not institutionalised
  - In the long run, there is no institutional memory of the process
  - Tacit knowledge and experience are not retained by donors, government or any other institution
  - Little absorption of the international experience and expertise
- Different experiences in other countries – for example, in Tanzania

# Hot issues

- Public finance management – portfolio composition, mechanisms of channelling funds, predictability and steadiness. Aid as a long term, free development resource available to the government under the same conditions as fiscal revenue – this is very difficult to achieve.
- Articulation and coordination – extremely time consuming with not very many good results. Around which issues and process is work articulated and why? No point of trying to coordinated process that are fragmented by design. Example: articulation of studies.
- Technical assistance – very little progress and many arguments: comparative advantages, information bias, national interests and so on... Very difficult (if at all possible) to untie aid from ideas and power of influence.

# Need to look at the whole process in perspective

- Donors' performance assessment is not independent of the history and reality of overall donors/recipient relationship. This raises several key questions:
  - Are donors being evaluated on issues that matter the most for the recipient government and for the recipient country, or about issues that are fashionable at one given time?
  - Do evaluation results matter? What is done with them?
  - Is the recipient government really interested in the evaluation and does it believe that the evaluation is more than simply political correctness?
  - It is easy to penalise the recipient government; how can a donor be penalised?
- If donors set the policy tone, which in turn defines the trigger indicators for government performance assessment; what are donors evaluated about – their ability to finance the policies that “encouraged” the government to pursue?