# REPUBLIC OF THE GAMBIA




# AID POLICY

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**ABBREVIATIONS**

| | |
|---|---|
| AAA | Accra Agenda of Action |
| ACD | Aid Coordination Directorate |
| ADB | African Development Bank |
| AIMS | Aid Information Management System |
| CRS | Country Response Strategy (WB) |
| CSP | Country Strategy Paper (EU) |
| DAC | Development Assistance Committee |
| DEX | Direct Execution |
| DP | Development Partner |
| EC | European Commission |
| EU | European Union |
| FAO | Food and Agriculture Organization |
| GAP | Gambia Aid Policy |
| GBOS | Gambia Bureau of Statistics |
| GDP | Gross Domestic Product |
| GOTG | Government of The Gambia |
| HDI | Human Development Index |
| HIPC | Heavily Indebted Poor Countries |
| IATI | International Aid Transparency Initiative |
| IDB | Islamic Development Bank |
| IFAD | International Fund for Agricultural Development |
| IFMIS | Integrated Financial Management Information System |
| IMF | International Monetary Fund |
| JAS | Joint Assistance Strategy |
| KPI | Key Performance Indicator |
| LCDs | Least Developed Countries |
| M&E | Monitoring and Evaluation |
| MDGs | Millennium Development Goals |
| MDRI | Multilateral Debt Relief Initiative |
| MOFEA | Ministry of Finance and Economic Affairs |
| MTEF | Medium-Term Expenditure Framework |
| NB | National Budget |
| NEX | National Execution |
| NGO | Non-Governmental Organization |
| NPC | National Planning Commission |
| NSAs | Non-State Actors |
| ODA | Official Development Assistance |
| PAGE | Programme for Accelerated Growth and Employment |
| PAP | Priority Action Plan |

| | |
|---|---|
| PDAE | Paris Declaration of Aid Effectiveness |
| PFM | Public Finance Management |
| PIU | Project Implementation Unit |
| PMO | Personnel Management Office |
| PRSP | Poverty Reduction Strategy Paper |
| PS | Permanent Secretary |
| SOP | Standard Operating Procedures |
| SWAP | Sector Wide Approaches |
| TA | Technical Assistance |
| TANGO | The Association of NGOs |
| TOR | Terms of Reference |
| UN | United Nations |
| UNAIDS | United Nations Joint Programme on HIV/AIDS |
| UNDAF | United Nations Development Assistance Framework |
| UNDP | United Nations Development Programme |
| UNICEF | United Nations Children's Fund |
| WB | World Bank |
| WFP | World Food Programme |
| WHO | World Health Organization |

# 1 INTRODUCTION

## 1.1 Preamble

1. The Gambia Aid Policy (GAP) provides the institutional, regulatory, and operational and accountability framework for sourcing and managing external aid resources, especially grants and loans, that qualify as Official Development Assistance (ODA).

2. Available information indicates that for the implementation of the PRSP II programme (2007-2011), costed at US$ 752 million, only US$ 100 million of domestic resources was received, while the rest was provided by its development partners in the form of grants and loans, of which US$ 170 million was from HIPC and MDRI resources.

3. The successor of the PRSP II programme, the Programme for Accelerated Growth and Employment (PAGE, 2012-2015), is costed at US$ 651 million over a four-year period, of which government is committed to generating about 35% of the required investments, with an expectation of the remainder to be funded by its development partners.

4. The above referenced figures indicate The Gambia's heavy dependency on external aid resources to achieve its development and poverty-reduction goals articulated in the Vision 2020 and PAGE strategic documents. Therefore a sound and realistic aid policy consistent with the government's development policies is recognized as one of the key instruments to drive the processes, targeted to improved aid coordination and development effectiveness.

5. More specifically, the policy aims at providing a framework for: (1) putting in place a more strategic, coherent, and better coordinated development assistance institutional framework to achieve higher absorptive capacity; (2) strengthening collaboration between The Gambia's development partners and national stakeholders for results-driven management of development assistance; (3) enhancing transparency in development assistance operations through the implementation of the AIMS; (4) enhancing accountability both ways, between The Gambia and its international development partners.

6. GAP is also drawn in line with the Monterrey Consensus on Financing for Development (2002), the Rome (2003) and Paris (2005) Declarations on Aid Effectiveness, the Accra Agenda of Action (2008) and in the spirit of the statements of the Busan Outcome Document (2011). These initiatives provide a framework for increased resources, harmonisation, alignment and coordination as the fundamental principles of ODA management that entrenches a recipient country's ownership and leadership, in implementing national development goals and priorities, including achievement of the Millennium Development Goals (MDGs) and beyond – The Gambia Vision 2020 goals.

7. The policy emphasizes the key role of the government in the entire process of design, negotiation, disbursement, execution and appraisal of external aid flows and in the promotion of national ownership and leadership. It also provides a framework for a common platform for reporting and analysis of external aid with the ultimate objective of recording of the same in the National Budget (NB) of The Gambia. The current external resource management system is distributed among a number of the GOTG institutions with regards to its management practices, processes and procedures, monitoring and evaluation, reporting and delivery mechanisms. However, an overall

coordination framework and designated authority to make those distributed functions work together towards common goals are absent.

## 1.2 Background

8. The Gambia is listed among the Least Developed Countries (LCD) with an HDI rank in 2010 - 151, out of 169 countries. 34% of Gambians live below US$1.25 a day poverty line, and 58% - below $2 a day poverty line. However, The Gambia has been experiencing a steady growth of 5-5.5% over several years by 2010 and macroeconomic stability, with one-digit inflation level.

9. Global economic crisis of 2008 had a negative impact on the economy of The Gambia, affecting a number of sectors of the economy previously performing relatively well – tourism, infrastructure, trade, manufacturing, etc. On the background of changing ODA environment and reduced level of external funds channelled to The Gambia, the Government of The Gambia is implementing a number of reforms aimed at reviving the economy. Among them is the PFM reform with implementation of IFMIS, adoption and start of implementation of PAGE program (2012-2015) – the successor of PRSP II under which achievements have been registered in making progress towards some of the MDGs (such Basic Education and Maternal and Child Mortality). MTEF is about to be launched for the education and financial sectors as pilots. Another important step is underway to introduce a multi-year budget planning (2013-2015).

10. In the context of aid coordination and management, the GOTG recognizes that effective and efficient utilization of ODA is critical to achieve its strategic goals articulated in the PAGE and Vision 2020 documents, to reduce poverty, attain the Gambia's Millennium Development Goals, and to improve aid effectiveness to maximize benefit for the citizens. The enhancement of aid effectiveness in this context remains a high priority of the GOTG.

11. The government is aware of the many challenges it faces to achieve its development goals. Although measurable progress has been made, much remains to be done to improve:(1) effectiveness of the aid utilized in the GOTG ministries and agencies, NSAs and private sector implementing the development programmes and projects;(2)practices of our development partners who need to harmonize their assistance and procedures to minimize the burden on the limited capacities of implementing ministries and agencies; and (3) jointly work towards greater transparency in the utilization of resources that are reported to have been disbursed to The Gambia.

## 1.3 The National Strategic Vision and Justification for External Aid

12. According to Vision 2020, The Gambia, through the efforts of its people, the private sector, NSAs and government and the support of its development partners, aims to be a democratic, middle-income country by 2025, and provide "a *decent standard of living for one and all".* The guiding principles will remain strong institutions of governance, accountability, the rule of law and zero-tolerance to corruption. The government is committed to reforms to increase its revenue base and volume, ensure macro-economic stability and steady growth of at least 11% by the end of 2015 in order to increase the level of gross domestic investments. However for such growth and change to be attain, substantial external resources are required to complement currently limited domestic

resources. These resources play a critical role supporting policies and programmes to enhance economic development.

## 1.4 The GAP Strategic Vision

13. The overarching vision of GAP is to put in place robust arrangements for irreversible improvement of effectiveness of domestic resources and rendered assistance, in order to gradually decrease dependency on external resources. Where and when required, an increase of the volume of ODA will also be sought, to match the needs of gross investments in PAGE and beyond.

14. The government is committed to putting significant efforts to build, improve and modernize its systems and procedures, such as the aid coordination system in the first place, PFM, procurement, audit systems, development results monitoring and evaluation frameworks, which are expected to ensure higher effectiveness of both external and domestic resource utilization and, *inter alia,* to contribute towards greater transparency and accountability to its development partners and the people of The Gambia.

## 1.5 Objectives of GAP

15. The overall objective of GAP is to provide a framework for an optimal management of external resources in order to enhance its effectiveness and to provide a basis on which additional aid can be mobilized to narrow the gap between the required resources for the implementation of national development strategies and those available from domestic sources.

16. Specifically, the policy aims at ensuring that:

- There is national leadership, ownership, consistency with development priorities and alignment to national planning processes for economic growth, poverty reduction and debt sustainability
- The institutional and regulatory frameworks are streamlined to ensure cost-effective and efficient implementation, delivery and accountability mechanism
- External resources are applied to high impact programmes/projects that are demand driven and that represent value for money for both Gambian and development partners' citizenry
- Predictable external aid flows with a higher grant element and ensure higher utilization and absorption
- There is a strategy for harmonization of development partner policies, procedures and practices while aligning them to the government's systems.

17. The preferred features of external aid will include the following, which form the criteria for accepting external aid:

- Consistency with government policies, priorities and strategies and the level of needs
- Alignment with The Gambia's budgetary process and other Government systems and procedures in line with PDAE
- Aimed at poverty reduction, sustainable development and equity

- Promotion of debt sustainability and management
- Promotion of appropriate skills/technology transfer
- Support to regional integration and international competitiveness;
- Reduced level of tied external aid with a view to eventual elimination of conditionalities
- Demand-driven interventions, including value added technical assistance

# 2 CHALLENGES TO ODA MANAGEMENT

18. The effective and efficient utilization of external aid resources has been hampered by lack of a comprehensive and coherent aid policy and ODA management framework leading to several challenges. Key among these are:

## 2.1 Institutional and Regulatory Constraints

19. A principal institutional and regulatory framework that governs ODA management does not exist.

20. The execution of the function of aid coordination and management by default assuming a centralized approach, has been distributed among the Aid Coordination Directorate ( MOFEA), numerous programme/project management units funded by donors, Loan and Debt Management Directorate (MOFEA), Central Program and Project M&E Unit (MOFEA)[1], Policy Analysis Unit (Office of the President), the Ministry of Foreign Affairs, Office of the NGO Affairs (Ministry of Interior), independently acting aid/donor coordination units within the line ministries.

21. There is no formal division of responsibilities and duties among above referenced government bodies. As its name implies, ACD's core responsibilities, if properly mandated and capacitated shall include sourcing, negotiating, coordination and reporting on ODA resources. However, the effective discharge of its mandate is undermined by limited human capacity, inadequate systems and facilities.

22. Operational structures for dialogue, consultation, joint analysis and decision-making on external aid allocations comprising various stakeholders are weak and scattered.

23. Strategic management of aid coordination processes, which ideally should be of a multi-stakeholder nature with the government assuming the leadership is absent. Also, there is no designated authority bearing a responsibility for aid coordination and management in its entirety.

## 2.2 External Resource Delivery Mechanisms

24. Development partner practices, procedures and processes differ from each other, and from those of the GOTG. Besides increasing transaction costs, such differences create inefficiencies in the whole process of external resource management thus undermining its effectiveness.

25. A significant proportion of external resources to The Gambia are in the form of technical assistance (TA). Whereas the country has derived some benefits from TA, major challenges have been in estimating the costs, value-for-money properties, appropriateness of such assistance and building sustainable capacity.

[1]Merged with the Aid Coordination Directorate in December 2012

26. Further, the government recognizes that NGOs and other non-state actors (NSAs), such as private foundations and international faith-based groups, constitute an alternative and important channel for external resource delivery. However, due to weak regulations, data gathering and sharing, the magnitude and sectoral distribution of such resources is not quantified and documented. This has far-reaching implications on the assumptions underlying macroeconomic policymaking, resource forecasting and management.

27. As presented on The Gambia's Aid Bulletin for 2011, the donors' disbursements towards their pledges made at roundtable conference in 2007, were primarily off-budget (64%). This limits the government's ability to track, monitor and influence both financial progress and results delivered through those interventions, whereas otherwise the role and performance of national beneficiaries in the successful and timely implementation of activities could have been considerably strengthened, thus addressing many of the issues of project/programme implementation.

28. According to the PDAE country survey country's PFM and procurement systems were used for only 12% and 33% of development interventions respectively, as of 2011, due to slow progress in national PFM system implementation, lack of a credible procurement system, as well as mechanisms and tools ensuring transparency of public expenditures. This is one of the reasons for the prevalence of off-budget support over the on-budget one.

29. In the meantime, a significant proportion of externally funded programmes and projects are implemented through National Execution Modality (NEX), which constitutes a good potential for gradually increasing the use of national systems and better information on aid flows.

## 2.3 Alignment

30. Over the past years the alignment of development partners' programmes and projects was reported to have been inadequate. Only 33 % of external aid flows have been assessed as aligned to national priorities. There seem to be no procedures or methods to measure and influence alignment by the government, other than consultations on the development partners' assistance strategies from the outset.

31. The GOTG recognizes that further improvement of PAGE in terms of better prioritization is necessary. In consideration of the limited resources available for financing PAGE, the current broad coverage of the country's needs in PAGE weakens the focus of development partners to high impact programmes thus making PAGE vulnerable to development partners (not always) well informed decisions on allocations. Consequently, alignment to national priorities, although formally adhered to, may not lead to desired results with regard to growth and development.

## 2.4 Aid Predictability and Volatility

32. Predictability of aid is highly limited even in the medium-term perspective. In most cases, projects and programmes are of one-year duration, and their budgets as well as disbursement schedules are made known to the government only during the final phases of their approval. Ongoing and ad-hoc resource mobilization for PAGE is one example of unpredictable aid flows to The Gambia. Unpredictability weakens the government's capacity to plan its development budget by

making almost impossible any linkage of international aid packages with domestic resource expenditure frameworks.

## 2.5 Debt Sustainability

33. The management of the domestic and external debts is of critical importance, if additional sources for development investments are to be explored. External resources in the form of loans create debt obligation. Although external borrowing is expected to promote development and growth, overall debt servicing reduces resources available for investment, if not properly managed. This may result in debt overhang and continued dependence on new inflows to cater for debt servicing. This underscores the need to strengthen the management of external aid resources to ensure that external debt is maintained at sustainable levels.

## 2.6 Changing International ODA Environment

34. ODA management has been affected by changes in the international ODA environment. For instance, bilateral and multilateral development partner agencies are changing priorities and orientation by placing greater emphasis on security measures in the broadest sense, institutional quality, openness and competitiveness as instruments of growth and poverty reduction. According to OECD statistics, overall ODA assistance to the Gambia has decreased from US$127 million in 2009, to US$ 121 million in 2010. The global trends in ODA reduction conditioned by 2008 and the continued Eurozone crisis might have also affected The Gambia's ODA beyond 2010. The recent natural disaster (hurricane Sandy) that dramatically struck north American countries is likely to cause a further reduction in ODA levels for some time to come.

35. Government systems have not rapidly adapted to these emerging trends so that The Gambia can target ODA sources most consistent with its needs. It is therefore important that the government develops an external resource management framework responsive to the changing international ODA environment and consistent with national priorities.

## 2.7 Aid Information Management, Monitoring & Evaluation and Reporting

36. Over the years, the government mostly relied on the development partners' projects' mid-and-final impact assessment and supervision reports for monitoring and evaluation (M&E) purposes. Additionally, at the line ministries and district levels, the information management systems are weak or absent and characterized by poor reporting and coordination. Furthermore, development Partners have different individual mechanisms and formats for M&E: according to the PDAE country survey, only 8% of development partner missions are coordinated which exerts a heavy administrative burden on the government. Government's M&E activities are as well uncoordinated and there is no evidence that their coverage of development interventions is sufficiently representative.

37. Information on aid flows provided by donors and implementing partners – both national and international - is not regular and in general does not contain all the data necessary for meaningful

analysis and monitoring of implementation progress. This irregularity and/or lack of relevant information reduces transparency and accountability, acting as an impediment to informed decision making and to the planning of development activities at large. The absence of a credible information source on external aid properties was considered as one of the main reasons for the inadequate progress of the PRSP II program, as mentioned in *The Gambia's Aid Bulletin* of 2011.

38. Proper and informed management of external aid requires tools and systems to record information necessary for decision making and reporting. Such a system was not established in The Gambia, unlike many other developing countries, including majority of African Nations. A well designed, established and operational AIMS would have addressed many of the challenges and issues described above. AIMS would have informed largely the development of this policy. Also, an AIMS with properly defined and implemented functionality would play a critical role in consolidation of information on domestic and external resources for the budget and medium-term expenditure planning purposes. Accurate and credible information reported on AIMS can inform further adjustment of this policy.

# 3 POLICY FRAMEWORK

## 3.1 Definition of Aid Coordination and Management

39. Within the context of this policy, aid coordination and management is to be understood as a Government function to:

- Plan, negotiate, procure and allocate external aid resources to fund its development agenda
- Manage, monitor and evaluate the implementation of projects and programmes, funded by external aid resources.

## 3.2 Government Priorities

40. The Government of The Gambia's long-term vision for development is set out in its Vision 2020 document. The current Programme for Accelerated Growth and Employment (PAGE) identifies and articulates national priorities in the medium term, and all assistance should ultimately be aligned with this.

41. GAP defines the government's priorities and commitments in establishing a sound and effective aid delivery and management mechanism, which is designed to address the above-described challenges and increase the volume and effectiveness of external aid in a predictable, efficient and transparent manner. This, among others, includes a clear definition of roles and responsibilities of The Gambia's state and non-state institutions and its development partners in a coordinated institutional framework, which is discussed in detail in Appendix 1.

42. The Government seeks to ensure that all external assistance is aligned with national priorities identified in PAGE, and sector strategic plans as defined in PAP. To this end MOFEA has a role in monitoring the government's total aid portfolio and it will, in collaboration with line ministries and decentralized entities, encourage donors to channel their resources in a manner that is consistent with the principles of this Policy. For such an alignment to be focused on high impact programmes and results oriented, PAGE and PAP will be revised and further prioritized in both horizontal (across sectors) and vertical (within sectors) dimensions, to ensure that the most pressing needs of the country's development agenda are duly and realistically reflected. The process through which this is to be achieved is set out in paragraph 8 and Appendix 3.

43. The GOTG considers a particular priority in the establishment and operationalization of The AIMS. It recognizes that without properly managed aid information there would be literally no possibility to work towards resource mobilization, effectiveness of available resources and transparency and accountability. The principles and functions of AIMS are discussed in Appendix 2

44. Strong strategic plans are essential in all sectors if alignment of donor funds to national priorities is to be achieved. Some existing sector strategic plans and policies must be improved to strengthen donor alignment, and to this end the government will take steps to ensure that these contain clear objectives and targets, which are consistent with plans at the national level, and are the outcome of a consultative process involving the development partners. External assistance packages in each sector should be identified in an updated annex to the sector strategic plan, with sectors eventually developing comprehensive sector-wide approaches (SWAPs).

45. While the GOTG aims ultimately to reduce its dependence on external assistance, it is clear that in the medium term, simply increasing the effectiveness of the aid The Gambia currently receives will be insufficient to enable the levels of investment required for the country to meet its development objectives (as set out in Vision 2020, Millennium Development Goals and PAGE). It is recognized that the scaling up of aid is dependent on the government's ability to manage current volume of external assistance effectively. In attracting additional external resources, the government will strive to ensure debt sustainability, as set out in paragraph 9 and continuous capacity development, as set out in paragraph 11.

46. The government recognizes that a large segment of aid activities is managed by The Gambia's NSAs. Their key role and comparative advantages in the country's development and poverty reduction efforts are well appreciated. Regulations on aid management and coordination with regard to NSA segment are discussed in paragraph 12

### 3.3 Guiding Principles

47. This policy is guided by the principle of taking the context as a starting point. Translating it into action will mean that existing institutions must be preserved to a maximum possible extent in order to avoid lengthy and painful processes of change in government structures, which The Gambia has been experiencing in the recent past. Clear regulations improving processes of aid coordination would be applied.

48. MOFEA will be the lead designated authority to be responsible for all aspects of external aid delivery, including planning, acquisition and allocation of the required resources, management of aid information, coordination and harmonization of M&E activities at the macro- and project/programme level, overseeing of implementation of national development strategies. Hence, the Minister of Finance and Economic Affairs will be responsible for establishing, reforming and managing the aid coordination and management function of the GOTG on behalf of MOFEA.

49. Existing government structures will be used as operational wings to implement the aid coordination and management system in The Gambia. The GOTG will create new structures, when necessary and feasible.

50. The operational strategy leading to a change in aid coordination and management practices of The Gambia aims at creating an enabling regulatory, institutional and systemic environment and capacities to ensure, that the basic principles of ownership, alignment, harmonization, management for results and mutual accountability are adhered to by all stakeholders responding to and

contributing towards the implementation of the national development and poverty reduction strategies.

51. The approach employed in this policy for effective and informed aid management and coordination will materialize through a sequence of tangible outputs, grouped within three strategic areas of change:

- Institutional and regulatory framework
- Tools and Instruments for aid information management
- Capacity development of the GOTG institutions in aid coordination and management

# 4 INSTITUTIONAL AND REGULATORY FRAMEWORK

## 4.1 Principles

52. The institutional framework described hereafter will enable coordination, programming, implementation, and monitoring of external aid aimed at:

- Enhancing – through alignment to national priorities –the GOTG ownership of, and leadership in, the definition and endorsement of the strategies and programmes funded through development partners' assistance
- Streamlining the regulatory arrangements for aid coordination and management to ensure a cost-effective and efficient delivery mechanism
- Increasing transparency and accountability in the operations of all the players involved in aid delivery and receipt
- Achieving better harmonization of the donors' strategies and programmes to ensure that the aid is predictable;
- Ensuring better division of labor among donors and implementing partners to reduce the level of fragmentation of aid and improve conditions for better and more effective coordination;
- Reducing overhead and transaction costs
- Making investments more efficient and timely.

53. The ACD-MOFEA will be the technical wing of the government, coordinating the work of government departments and institutions involved in the delivery and management of aid from multiple sources and implemented through a variety of instruments/modalities.

## 4.2 National Institutions

54. As stated above, **MOFEA will be the principal GOTG agent** for all matters pertaining to external aid management and coordination. In order for MOFEA to carry out its mandate effectively, information on aid flows originating from different channels shall be streamlined into one, to be managed by Aid Coordination Directorate of MOFEA (ACD-MOFEA).

55. ***Aid Coordination Directorate (ACD-MOFEA)*** shall then act as an interface between the GOTG and national and international actors in all matters on aid information. Specifically, ACD-MOFEA shall:

- Be the entry point for all government ministries and development partners offering programmes and projects to be funded by external sources
- Participate in the negotiations of external resource acquisition irrespective of the type (loan or grant) and source of the resource.
- Be responsible for the maintenance and operation of AIMS, ensuring that aid information is accurate and updated in timely manner.

- Supply negotiating parties with relevant information on the ongoing and previous interventions, gaps in funding national priorities, to avoid duplication of efforts
- Prioritize investment for PAGE/ national development plans
- Retain its current responsibility on M&E and performance assessment of the PAGE and other national development programmes, as they evolve over time.
- Perform M&E of project and programmes implemented by state actors in close cooperation with the respective units of the line ministries and existing Project Implementation Units (PIUs) funded through donor programs. The M&E space will be enlarged to cover all projects and programs initiated and implemented by various GOTG ministries. Generic terms of References of the ACD-MOFEA are presented in Appendix 1.

56. All GOTG institutions shall unconditionally report to AIMS, directly or through ACD-MOFEA, on their respective programmes and projects funded or to be funded by the development partners, irrespective of the type of funding (grant or loan) and source of funds (multi-lateral, bilateral DAC, bilateral non-DAC donors or international NGOs). A reporting template shall be developed by ACD-MOFEA, based on the data requirements of AIMS, and will include both financial performance and substantive information on the progress towards planned results.

57. The ***Ministry of Foreign Affairs (MOFA)*** will be the diplomatic window for bilateral donors offering assistance to The Gambia. Such offers, following the fulfilment of diplomatic protocols and procedures shall be redirected to the relevant government ministries for negotiations on terms, conditions and substance of the proposed assistance.

58. **Sector** ***Ministries, through Donor Coordination Units (SA-DCU)*** shall retain their current functions on the negotiations of terms, conditions and substance of the assistance proposed by the development partners in their respective sectors. The linkages between SA-DCUs and ACD-MOFEA shall be institutionalized and strengthened to ensure that all assistance flowing into the sectors is reported to AIMS in a timely and accurate manner.

59. ***Policy Analysis Unit of the President's Office (PAU-PO)*** shall retain its functions on the negotiation of terms, conditions and substance of the assistance offered by bilateral donors, including non-DAC donors, as well as the UN CT. relevant government ministries and agencies shall be involved in this initial stage of discussions of proposed assistance. The linkages between PAU-PO and ACD-MOFEA shall be institutionalized and strengthened to ensure that all assistance flowing through PAU-PO is reported to the AIMS in a timely and accurate manner.

60. The ***Loan and Debt Management Directorate (LDMD-MOFEA)*** will retain its technical function to ensure that all new and current obligations resulting from loan agreements irrespective of their sources (multilateral or bilateral from both traditional and non-traditional donors) are properly reflected on national accounts and do not adversely affect debt sustainability of The Gambia. In this respect they should assume an advisory role to GOTG senior political leaders entering into negotiations of loan agreements and set guidelines on which sectors and thematic areas the loans will produce maximum returns in terms of their economic impact. The LDMD-MOFEA will also be responsible for reporting on financial information on the loans to AIMS.

61. The ***NGO Affairs Office of the Ministry of Interior (NGOAO-MOI)*** will retain its functions to coordinate, collect and compile reports on NGOs' activities in The Gambia. The linkages between NGOAO-PO and ACD-MOFEA shall be institutionalized and strengthened to ensure that all assistance flowing through the NGOs is reported to AIMS in a timely and accurate manner.

62. In the context of this policy, assistance reported on AIMS is intended for use solely for external aid coordination purposes. This aims at strengthening the institutional memory of the GOTG and establishes a common collaboration platform on aid information exchange and analysis, through the mandatory use of AIMS by all partners.

63. The GOTG strongly encourages its development partners to support its efforts in introducing an institutional discipline in aid flow generation and information exchange by adhering to the provisions of this paragraph.

64. **MOFEA** shall be responsible for external aid and national budget consolidation to ensure that various (financial and non-financial) assets, and recurrent costs, which have resulted from external aid flow channels, are adequately reflected in the NB of The Gambia for further planning, management and maintenance.

65. All projects and programmes originating from the various sources described above shall be appraised according to standardized criteria, to ensure alignment to national development priorities. Formal endorsement of the GOTG will be required to trigger the start of a project or programme. This process is described in paragraph 4.3.

66. **The GOTG** will make arrangements to ensure, that all the described institutions above have their mandates updated with clearly- defined and endorsed Terms of References, to include above described duties, as necessary.

## 4.3 The Gambia Strategic Review Board

67. To strengthen and emphasize the leadership role of the government in aid coordination and management, the Gambia Strategic Review Board (GSRB) will be established. GSRB shall be mandated to appraise and endorse all programmes and projects subject to compliance and alignment to national and sectoral development strategies and priority action plans. GSRB's endorsement of the projects and programs will be the final step for the implementation to start.

68. The GSRB is a high technical level decision making body, chaired by the Permanent Secretary of MOFEA and co-chaired by the PAU. The GSRB will be composed of permanent and invited members, and will include PSs of ministries, representatives of multilateral partners, such as the UN and WB, representatives of the NGO community and the private sector. The ACD-MOFEA will be the secretariat of the GSRB.

69. The GSRB will meet monthly, or upon the call of the chairs, if extracurricular submissions require a fast-tracking approach.

70. Government ministries and agencies shall prepare and submit project/programme concept notes to the GSRB through the ACD-MOFEA for appraisal. Concept notes shall contain essential information for unambiguous identification and appraisal of the project, such as the cost, donor, title, objective, implementing partners, expected outputs, outcomes and impacts, as well as an M&E plan. Concept notes submitted for appraisal and endorsement will be accompanied by an analytical note/report, generated by the ACD-MOFEA from AIMS on the subject area of the respective projects and programme, depicting currently observed financing gaps, ongoing and previous interventions

and results achieved. This will enable the GSRB to take an informed and objective decision on the projects under review.

71. The ACD-MOFEA shall be responsible for entering the approved projects and programs into AIMS and management of all information flows pertaining to external aid delivery.

# 5 GOVERNMENT-DONOR COORDINATION FORUM

72. External aid coordination and management is a multi-stakeholder endeavour and as such is a challenge to, and assumes efforts from, all the stakeholders if a successful and needed change is to be made. Engagement and dedication of all stakeholders are essential to attain resource mobilization and aid effectiveness targets, as set out in this policy.

73. While roundtable conferences on development progress in The Gambia provide a space to the GOTG and its development partners for strategic discussions towards long-term development challenges and support dimensions, there is also a need for more frequent consultations and policy decisions. This is particularly important, as the resource mobilization campaign for PAGE implementation is still underway, and not all required funding is sourced out as yet.

74. The GOTG strongly believes that well-established consultation and dialogue mechanisms are essential for streamlining external assistance in national development priorities and ensuring that any implementation issue and shortcoming in performance is adequately and addressed in a timely manner.

75. The GOTG recognizes the role of the Donor Coordination Forum co-chaired by the Minister of Finance and Economic Affairs and the UN Resident Coordinator, and is committed to further strengthening it with the purpose to enhance and drive dialogue that is better focused on the priority needs and issues of the government. Key outputs anticipated from the work of this forum are: review of the progress in programmes and projects implemented by external support; identify gaps in funding and committing on allocations where and when possible; proposing adjustments to allocations and implementation as required. The GOTG will ensure that donor coordination and dialogue is a continuous and uninterrupted process, which is driven through the Donor Coordination Forum meetings with predefined and agreed upon frequencies.

# 6 SECTOR COORDINATION COMMITTEES

76. The GOTG is committed to further improving and customizing PAP of PAGE through the prioritization of sector strategies and action plans. Well-prepared medium term expenditure frameworks per sectors will lead to a more holistic approach for the allocation of resources thereby improving their alignment to priority high-impact sectoral programmes.

77. The government believes that dialogue and consultations with its development partners will make sectoral strategies more realistic and coherent, through identifying linkages, strengths and weaknesses between and across programs and will, *inter alia*, complement the capacities of the national stakeholders by deploying the relevant technical expertise of its development partners in sector planning activities.

78. Consultations and dialogue between the GOTG and its development partners will also contribute towards better division of labour based on the comparative advantages of the development partners.

79. The GOTG is committed to taking the lead in sector-level dialogue and consultations through sector coordination committees to be established and/or reinforced, as the case may be, and calls for available technical support from its development partners, specifically those with in-country presence.

# 7 TOOLS AND INSTRUMENTS: INFORMATION-SHARING AND AIMS

80. Aid coordination and management activities primarily rotate around information sharing. In the absence of properly-defined information on aid, information-sharing framework and respective tools, there will be no successful coordination and no possibility to track progress towards any property of aid, including those of illustrating its effectiveness.

81. The key instrument to be used for aid coordination and management is the Aid Information Management System of The Gambia, the establishment of which is one of the immediate priorities of the GOTG. AIMS will integrate tools devised to support both the policy and the analytical work of the government on aid management in general, and on sector planning and development in particular, with other instruments devised from the combined (external and domestic) perspectives of development resource management. This must be done in accordance with the PAGE priorities and arrangements, both organizational and methodological.

82. The government will recognize AIMS as an official source of development information and is requesting that national aid recipient institutions, including NSAs, the donor and international implementing agencies support this initiative by putting into AIMS accurate and timely data on their respective assistance packages. All the partners will be requested to provide key information prior to project and programmes implementation and to submit periodic progress reports, in accordance with the provisions of PDAE and AAA, as well as those of the latest global initiatives, such as IATI.

83. DPs and national institutions alike will be obliged to report information on their respective projects and programmes in the format requested and useful to the government with the ultimate purpose of improving national planning, budget preparation and execution. Accurate data should be reported on a quarterly basis, allowing the government to produce timely reports, and also reduce issues related to the different fiscal calendars used.

84. Donor agencies that are not represented in-country are requested as a minimum to follow the standards of IATI and publish detailed and timely data on their websites or send e-copies of their data to the ACD-MOFEA. If this information is deemed sufficient it may be included in the aid-reporting process. [2]

85. Quaterly, semi-annual and annual analytical reports as well as annual Development Cooperation Reports produced through AIMS, representing findings on how the above-mentioned principles are observed during the delivery of aid, will be submitted by the government, typically through the ACD-MOFEA. These reports will serve as key instruments for informed and grounded decision making on the policy and on the programmatic aspects of the further improvement of effectiveness indicators and development results.

[2] The IATI standard does not in itself ensure that the data is aligned to the government's information needs and therefore does not justifiably serve the only purpose of this process. In-country DPs publishing IATI data are still required to report following the government-requested format.

86. AIMS will be used by all the national and international partners in a twofold manner: to supply information on their respective activities and to derive information on overall development oriented activities, thus multiplying its value.

87. The reporting templates to AIMS contain a set of key data with definitions and guidelines with the purpose of ensuring aid information accuracy, avoiding data duplication and decreasing the workload of the DP and the government. Rules and requirements for aid data reporting will be specified in Standard Operating Procedures (SOP) to be developed by the ACD-MOFEA and offered to all the development partners to regulate and harmonize data exchange through AIMS.

88. The additional effort invested by DPs as part of this reporting process will pay dividends in the confidence which can be placed in the resulting reports, and will greatly improve the national planning capabilities of the government.

89. The response by both national and international partners to the aid-reporting requests of the GOTG will be monitored in a scorecard, reflecting on whether the data has been submitted on time and following the rules. The scorecard will be presented in the official government aid reports.

90. The technical specifications of a generic AIMS are presented in Appendix 2.

# 8 PROCESSES

## 8.1 Aid-Delivery Process

91. The government is aware that while the roles and responsibilities of institutions have been laid out in government decrees, the current practices of some government institutions and some development partners do not adhere to the provisions of the existing rules and regulations. The current practice of some development partners to enter into agreements with individual government ministries and agencies without any prior coordination through the ACD-MOFEA is a serious problem that hampers government's efforts to efficiently perform its aid coordination functions. The government places a high priority on all parties conforming to, and complying with, the provisions of the existing laws, rules and regulations, including this policy.

92. In order to introduce an aid delivery and implementation uniform discipline, the above-discussed institutions and structures shall be interlinked within the overall aid delivery process. Each of them shall have its own distinct role and function within that process to ensure that aid programmes and projects are planned and implemented in a coherent, transparent and effective manner and aligned to the government's priorities. These roles and functions will be enacted to ensure adherence to the principle of government ownership, which must be observed in each phase of aid delivery.

93. The aid delivery process is to be seen as a cyclical implementation of three major processes. Th ese are:

- Multi-year planning, facilitated by MOFEA in consultation with the GDACF, based on national development and existing donors' response strategies. This planning process is undertaken for each programming cycle (3-5 years) and updated/modified annually on the basis of the past year's implementation results. Ideally, the output of this exercise will be informed by the MTEF.
- Annual planning, triggered by the preceding MTEF formulation process and performed by MOFEA and the line ministries in line with the respective fiscal and investment guidelines for the current year. This cycle is based on donors' assistance strategies, including commitments, and is supposed to result in overall resource allocations to sector programmes for the current fiscal year.
- The project implementation cycle is the third and final phase. This cycle is supposed to define projects, and regulate and streamline project implementation within approved programmes. To regulate the competition of the various projects for usually limited resources, the planning institutions have to put in place well-defined concept notes and procedures for project submission and approval. Such procedures will, *inter alia,* streamline the projects into approved sector programmes, including programme approaches, in pursuit of the achievements of the development outcomes. However, in the case of prevalence of the project aid modality, this phase will ensure government leadership and involvement in the projects' approval and in the delivery of outputs, as well as in their alignment the to national priorities. This process will be facilitated by the ACD-MOFEA in cooperation with the SA-DCUs of the line ministries, with final clearance delegated to the GSRB .

94. The schematic outline of the The Gambia's consultation framework and aid delivery process, as well as the proposed Project Concept Note structure is provided in Appendix. The GOTG will develop a detailed proposed workflow and procedure for this process and related sub-processes, and will enact them once this policy is endorsed.

## 8.2 Aid-Reporting Process

95. All agencies-both rendering and consuming external aid resources-are obliged to report on their respective projects and programmes to AIMS. The following institutions are responsible for aid information reporting on the AIMS:

- LDMD-MOFEA – on all loan projects irrespective of the source of funding
- PAU-PO – on all grants received from bilateral DAC and non-DAC donors
- MOFA – on all requests from foreign sources offering assistance
- The GOTG ministries and PIUs– on all projects funded from external sources
- NGOAO-MOI – on all the projects funded from external sources and implemented by NGOs
- M&E units of the GOTG – on progress in implementation of the projects and results achieved
- DPs – on all the projects funded by them.

96. Reporting on external aid shall be in compliance with GOTG requirements, to be implemented in AIMS and clearly articulated in the SOPs for AIMS use and reporting.

97. The ACD-MOFEA shall be responsible for managing and coordinating the reporting process.

98. Projects and programmes shall be reported both from the start of implementation and during the implementation to ensure that key concept data on projects and progress of implementation are dynamically reflected in AIMS. New projects shall be reported to AIMS by the ACD-MOFEA immediately after approval by the GSRB. Ongoing projects shall be reported to the ACD-MOFEA on a quarterly basis by or through the above listed institutions.

99. The schematic outline of the aid-reporting process is presented in Appendix 3. The GOTG will develop detailed information flow procedures, and will enact it once this policy is endorsed.

# 9 EXTERNAL DEBT

100. Having successfully attained a completion point under the HIPC MDRI initiative, the GOTG is concerned that any increase in its debt burden must be sustainable. To this end, strong preference is given to assistance offered in the form of grants.

101. Assistance in the form of loans will only be considered where the terms (interest and maturity) of such a loan are highly concessional. Furthermore, loans will be sought in areas where grant assistance is not available or appropriate. Where, in the same area grants have not been utilized in full, loans will not be considered, whether their terms and sizes are favourable or not.

102. The GOTG currently has a framework for the management of external debt to ensure that this is maintained at sustainable levels in the future. Given that a significant proportion of the assistance The Gambia receives is in the form of concessional loans, the government continues to pursue a holistic and consistent approach in the management of all external finance.

# 10 AID-DELIVERY CHANNELS AND INSTRUMENTS

103. It is recognized that different external resource delivery instruments have different strengths and weaknesses, degrees of predictability, absorption capacities and transaction costs. Thus, from the medium- and long-term perspectives, the most preferred external resource delivery instrument for The Gambia shall be general budget support and sector budget support. The government recognizes that a higher share of budget support modalities within the total aid flows will be conditioned by substantial progress in attaining recognition of credibility of its PFM system and deploying a transparent and effective procurement system. Those are within the highest priorities of the government and are duly attended in PAGE.

104. In the short term, before such systems are fully operational and the respective capacities are in place, other instruments/approaches must be used for the delivery of development assistance, to increase the effectiveness and predictability of aid. Such short-term approaches and instruments are currently provided mainly through project support modality. They will include the following:

- Pooled funding instruments for stand-alone projects of cross-sectoral and government/society-wide coverage (institutional development, capacity development, cross-cutting arrangements, etc.)
- Sector-Wide Approaches (SWAps) for the implementation of sectoral and sub-sectoral strategies.

105. Also, an increasing volume of aid programmes implemented by the NEX modality creates a foundation for increasing use of national systems, as a prerequisite for more effective aid.

106. The government will decline any or all offers of assistance where it considers transaction costs to be unacceptably high, alignment to government priorities to be insufficient, or conditionalities to be excessive. Where assistance is offered in the form of stand-alone projects, the government may also decline proposals that are not shown to be sustainable. Transaction costs should be considered, in the broadest sense, to include the opportunity cost of allocating scarce (human and financial) government resources to activities and their follow-up.

107. To enhance the rates of external resource absorption and project completion, the government, in collaboration with its development partners, will ensure that external aid is compliant with the government's budget process, procurement, financial management and audit systems.

108. The GOTG will introduce quality criteria for aid, provided in the form of supplies – commodity, hardware, food, medicine etc - to avoid hazardous waste accumulation and ensure that the environment and public health are not negatively affected by low-quality supplies.

# 11 CAPACITY DEVELOPMENT AND TECHNICAL ASSISTANCE

109. The GOTG receives a large volume of technical assistance, much of it in the form of experts appointed on both short- and long-term contracts. Such assistance should be aimed at building local capacity in the first place with measurable knowledge and skills transfer rather than ad-hoc gap-filling.

110. To maximize the value of demand-driven technical assistance through project support, the government will put in place the following measures:

- Preference will be given to experts with longer-term assignments for sustainable knowledge and skills transfer to their counterparts
- The vetting mechanism of the ACD-MOFEA and implementing agencies will be strengthened to identify the need and level of technical assistance required before TA personnel are contracted
- TA personnel will be evaluated annually on the basis of the knowledge and skills transferred to the local counterparts
- TA projects will be evaluated in terms of value actually built against expenditures made

111. The Personnel Management Office will be responsible for overseeing all TA projects to ensure that their capacity development strategies and targets are aligned with the GOTG strategic and current needs with regard to human resource development. To this end, PMO shall be an invited member of the GSRB, when TA projects are being discussed subject to their approval.

112. The government is aware of the capacity constraints both in the ACD-MOFEA and the line ministries and agencies to carry out their aid coordination and aid management functions. Furthermore, the government recognizes the multi-dimensional and multi-disciplinary nature of aid coordination and management functions; hence, it urges the international development partners to pay particular attention to this matter and to apply respective efforts to enable them to take charge of efficiently exercising their aid coordination and aid management functions in order to improve aid effectiveness.

113. To further strengthen the capacity of the ACD-MOFEA and the ministries and agencies, the government shall expedite the process to fully staff the ACD and establish aid coordination focal point in each ministry and agency of the government, responsible for ensuring effective and timely coordination with the ACD-MOFEA. Those focal points will be assigned from the pool of existing human resources of the SA-DCUs of line ministries.

114. As the main government agent for aid coordination and management, MOFEA will appreciate and explore various forms of capacity development. These will include the following: technical assistance combined with on-the-job training, mentoring and coaching of the ACD-MOFEA staff; study tours to countries with similar political and economic environments; and targeted short-term training seminars and workshops on the fundamentals of the various disciplinary approaches and skills used in aid coordination. Preference will be given to in-country capacity-development initiatives, as potentially better focused on the country's context and broader use of group learning modality, which, in addition, embeds cost effectiveness, as opposed to individual training abroad.

115. The government will reinforce and support the ACD-MOFEA through the recruitment of the necessary number of duly qualified staff and will ensure that the NB allocations are provided for their salaries and social welfare. The government counts on the support of the international

development partners in operational costs for running the ACD-MOFEA; it also counts on its partners for making in-kind contributions to ACD-MOFEA by seconding experts and specialists with appropriate experience.

116. The GOTG will consider a range of factors at the policy and human resource levels when developing the capacities of the ACD-MOFEA and other ministries to perform functions related to aid coordination and effectiveness. The outline of the approach towards capacity development is presented in Appendix 4.

# 12 NGOs and NSAs

117. The GoTG recognizes the important and diverse roles played by both local and international NGOs and NSAs active in The Gambia. Where NGOs assume a service delivery role, the government will encourage such assistance to be provided in line with national and sectoral plans.

118. In order to ensure better coordination and to avoid the duplication of efforts, the GOTG requires that NGOs undertaking a service delivery function provide it with concise and timely information on all such activities. The forthcoming AIMS and respective standard operating procedures to follow will set out the government's information requirements in this respect.

119. The GOTG recognizes that many NGOs play a complementary role to that of the Government in promoting the interests of Gambian citizens. The Government continues to facilitate an environment which enables and empowers NGOs to fulfil their objectives alongside those of the state.

120. The GOTG retains a fundamental duty to ensure that all such organizations – regardless of whether their activities are financed by ODA or not – act in a manner that is transparent and accountable to Gambian citizen. The GOTG's regulatory role in this respect is detailed in regulating the activities of national and international non-governmental organizations operating in Gambia.

121. The GOTG will also ensure that all information provided by NGOs and NSAs at large will be solely used for coordination purposes.

# 13 MUTUAL ACCOUNTABILITY

122. The Gambia is a signatory to the PDAE and Accra Agenda of Action (AAA). The GOTG has been giving high consideration to more effective use of external aid resources to complement its scarce domestic savings channelled to development and poverty-reduction investments.

123. Country assessment of PD aid effectiveness indicators made in 2011 in preparation of IV High Level Meeting in Busan (2011) reveals a number of weaknesses and shortcomings that need immediate attention in order to ensure better use and expected results of aid rendered to The Gambia and its people by the international donor community.

124. One of the major reasons for poor performance in respect of PD indicators in The Gambia has been the absence of a well-defined mutual accountability framework, which would allow to closely and monitor in a timely manner results intended to have been produced by external aid flows. Such a framework shall specify the responsibilities and obligations of both the Gambian authorities and their development partners in the process of channelling and delivering aid.

125. Pursuant to the Busan outcome statements on the accountability, transparency and results based management of external aid provided to The Gambia, the GOTG will:

- Ensure, that a transparent, country-led results framework, as outlined in PAGE, is used by all the development partners to assess performance, based on a manageable set of indicators drawn from the development priorities of The Gambia and harmonized with those of international aid agencies to the maximum possible extent.
- Encourage the active participation of all the development partners in the mutual assessment reviews.
- Intensify efforts to improve availability and public accessibility of information on development assistance and domesticall generated resources for development through AIMS.
- Strengthen the capacity of the national and international stakeholders to make better use of information on development progress and results in decision making and promote accountability.
- Further encourage the development partners to provide timely, accurate and forward looking information on the resources provided through development cooperation, compliant with IATI standards.

126. In the interest of mutual accountability, the GOTG will develop framework agreements in the form of memoranda of understanding, in which rights, mutual obligations and accountabilities are identified and stipulated. The mutual accountability framework is outlined in Appendix 5.

127. To reinforce adherence towards the targets of the mutual accountability framework, the ACD-MOFEA will develop donor performance assessment tool, as and when comprehensive and credible data is made available through reporting on The Gambia's AIMS.

# 14 MONITORING AND EVALUATION, JOINT MISSIONS AND AUDIT

128. A two-tier M&E practice is currently in place within the GOTG.

- M&E of the national development programme at macro level. There is a set of indicators proposed for monitoring in PAGE
- M&E of projects and programmes implemented by the GOTG's various ministries and agencies.

Both of the M&E activities are currently mandated to the ACD-MOFEA. However, M&E is being conducted by the line ministries as well, as and when projects in their respective sectors are concerned. Coordination and joint work among the ACD-MOFEA and line ministries shall be enhanced, to ensure that observed results are interpreted in a coherent and unambiguous manner. For this a set of Key performance indicators (KPIs) shall be developed and put in place, preferably disaggregated by sectors. KPIs will be harmonized with macro level indicators as defined in PAGE to ensure a smooth aggregation of the values of indicators from the bottom (programme/project level) to the top (national development level).

129. The impact of the development programmes on the national socio-economic and poverty indicators is being assessed by the Gambia Bureau of Statistics, which is then used for informed planning.

130. Joint GOTG/DP M&E of programmes and projects will be strongly encouraged, for which the GOTG will seek the development partners commitment and support, with the coordinating role assigned to the ACD-MOFEA. Such collective appraisal will inform policy planning and strategic reforms. The reports emanating from M&E will be made accessible to the public to enhance transparency.

131. Additionally, joint development partners' visit missions will be harmonized with the M&E processes and will use government policy documents to standardize M&E reports. A result-oriented approach will be adopted for M&E processes, as proposed in PAGE in collaboration with AIMS performance assessment indicators and progress.

132. The ACD will coordinate all joint development partner missions and will maintain a comprehensive repository of the same through AIMS. The government, in consultation with its national and international development partners, will establish an M&E working group to provide a harmonized set of M&E indicators and a rationalized timetable for development partner missions at the beginning of each calendar year.

133. Furthermore, the government will ensure that all the implementing agencies provide quarterly project and/or programme progress reports in a unified format to be recorded in AIMS.

134. At the end of each calendar year, the audit of all completed projects funded by both external and domestic sources must be carried out by the office of the Auditor General of the Gambia. M&E reports and information from AIMS must be used to verify that the funds were used purposefully and the results achieved are in harmony with those expected.

# 15 IMPLEMENTATION OF THE AID POLICY

135. The GOTG is keen to ensure that the implementation of externally funded projects and programmes currently underway is not adversely affected by the adoption of this Policy. Disruption to such assistance may reduce, rather than increase, its real value. It is therefore intended that a phased approach be adopted in the implementation of this policy, which will not be applied retroactively.

136. Upon adoption of this policy by the Cabinet, MOFEA through the ACD-MOFEA will be tasked with the drawing up of an action plan for the effective implementation of the policy. This plan will prioritize actions on the part of government bodies, taking into account the Government's capacities to implement change. The action plan will comprise a number of components, as identified in the planned sequence of the GAP implementation, presented in Appendix 6.

137. Additionally, a strategy for sensitizing stakeholders at both central and local levels to the content and implications of the present policy will be devised and implemented. This will ensure that GOTG officials involved in the negotiation and management of external assistance are able to fulfil their roles as implementers of the policy.

138. An assessment of capacity needs to facilitate the management of aid will be undertaken, and on the basis of this, a prioritized capacity-building plan will be devised and implemented, to include capacities at the ACD-MOFEA in the first place, of central and local governments, as well as other bodies managing externally-sourced funds.

139. Training in the use of government systems relevant to the management of aid will be undertaken. Steps will be taken to ensure that comprehensive information on the activities of international and national NGOs is collected.

140. This document sets out how the GOTG intends to fulfil its commitments made at the international level to increase aid effectiveness. The GOTG will proceed to communicate this with its donors and will invite them to provide clear statements on how they each see themselves implementing those commitments in The Gambia. Subsequent to this, a joint proposal to support the implementation of this policy will be invited.

141. Pursuant to paragraph 12 above, the NGO community of The Gambia will also be invited to set out how they intend to respond to the Government's adoption of this policy.

# 16 CONCLUDING REMARKS

142. Success in the implementation of the provisions of this policy will depend on the commitments of both the government and the development partners to the coordination, harmonization, and alignment efforts. The government commits itself to the responsibility of assuming a leadership role in the implementation of this policy.

143. The GOTG recognizes that the welfare of Gambians depends on the collective effort of its government, NSAs, the private sector and the citizens. This policy will contribute to The Gambia's attainment of higher levels of economic growth and development through the optimal utilization of external aid, to be complemented by still limited, but increasing, domestic resources. The policy calls for government ownership of the aid and for the political will on the part of all the partners to implement and sustain the reforms proposed therein. It also calls for adherence by all the parties to the spirit of the statements of Rome, Paris, Accra and Busan High Level Forums.

144. The policy will contribute to the on-going efforts by the GOTG to provide an enabling environment for overall development and poverty reduction towards the realization of PAGE, Vision 2020 and beyond.

145. This policy paper is a live document and will be duly amended and modified as the development and political reality and needs evolve.

## APPENDIX 1: THE FUNCTIONS AND STRUCTURE OF THE AID COORDINATION DIRECTORATE

### 1. Aid Coordination and Management as a Government Function

The Aid Coordination Directorate of MOFEA (ACD-MOFEA) is seen as a part of The Gambia government's machinery to regulate, coordinate, and manage aid delivery into the country and to be a focal point for government-donor liaison of all aspects of aid. It should stand as a unique and single interface for the recipient government vis-à-vis the donor community and international development and non-governmental agencies on all matters of aid acquisition and delivery. Such matters include planning, strategy, policies, implementation management and performance assessment.

Aid coordination and management refers to the recipient government's function to:

- Plan, prioritize, and procure aid from donor countries and integrate it into national development goals and strategies, and
- Implement effectively the development programmes funded through external aid.

### 2. Vision of the ACD

The ACD's vision is to contribute to the enhancement of the efficiency and effectiveness of external aid to the development process of The Gambia and facilitate additional resource mobilization when and where necessary.

### 3. Mission of the ACD

The ACD will build financial and technical cooperation relations with donor and implementing organizations in line with The Gambia's national development priorities, through:

- Supporting the GOTG to achieve its aid management and coordination targets
- Harmonizing external aid with the capital investment resources of the national budget
- Coordinating with the sectors and line ministries to distribute external and internal resources justly
- Improving cooperation between the government and development partners

- Increasing transparency and contributing to mutual accountability in the utilization of external and internal developmental resources
- Increasing awareness among high level government officials, line ministries, development partners, civil society and the public as to the use of external aid resources and achievements/problems observed during the implementation of the development programmes.

## 4. Functional Overview of the ACD

In recognition of the development challenges of the country and the complexity of the tasks related to aid coordination and management in general, the following functions and responsibilities are assigned to the ACD:

- Supporting the creation of a regulatory environment for aid delivery by:
    - Preparing and proposing procedures and policies
    - Defining and proposing the optimal ways of inter-relations among government agencies in terms of responsibilities and duties on aid management
- Coordination in relations with DPs by:
    - preparing and conducting negotiations with DPs
    - preparing and reviewing follow-up reports on the funded projects
    - producing annual reports on the financial progress of committed assistance
    - enhancing dialogue and interaction of policies between the MOFEA and DP
    - developing and implementing a communications strategy within the government and between the government and DPs
- Improving management of external aid by:
    - supporting the process of screening and selection of programmes/projects to be funded by external aid
    - populating and improving data in AIMS
    - liaising with DPs on a timely and accurate data exchange on development assistance
    - producing analytical and policy reports on external aid flows to support the decision-making process on further strategic allocations and the day-to-day management of projects
    - improving the follow-up and monitoring process by using techniques and features of AIMS on tracking various indicators of assistance
    - proposing measures on the best utilization of technical and financial assistance
- Maintaining and administering AIMS of The Gambia by:
    - technically maintaining the records and functions of the database
    - ensuring the integrity and non-duplication of the data
    - ensuring the secure AIMS user management in line with the respective approved policies
    - carrying out data entry and data quality assurance
    - encouraging and supporting data providers (DPs, line ministries, and others) in the timely provision of data through creating the respective incentives, policies and Standard operating procedures among others,
- Providing secretarial support to the government-Donor Coordination Forum by:
    - providing necessary reports and briefs using AIMS

- organizing meetings
- taking the minutes of meetings
- preparing follow-up agendas
- maintaining archives of communication and resolutions

## 5. Organizational Structure

The ACD should be headed by a competent, highly experienced officail through a merit based recruitment process and should act as a single interface for DPs and Government entities. It should also support the activities of Ministries in their mission to develop and promote sectoral strategies and programmes.

The ACD should have the following structural offices to support its functions and carry out its responsibilities, as depicted in figure 1:

- Government procedures and coordination for planning and implementation
- Donor relations and partnership for resource mobilization and reporting
- Information and database management
- Monitoring and evaluation and macro-level performance assessment

## 6. Outputs and Service

- Produce drafts and/or proposals on regulative documents on aid coordination and management;
- Operate, populate and update of AIMS
- Regular reports on aid flows and implementation progress of aid-supported projects and programmes;
- Appraisal and screening of projects and programmes in line with national development goals and priorities;
- Development and implementation of procedures for aid information exchange among development partners and government agencies
- Training of users of AIMS;
- Quality assurance and validation of aid information reported on AIMS
- Monitoring reports regularly produced and communicated to stakeholders
- Policy recommendations based on real progress of the projects and programmes supported through external aid
- Initiate and facilitate public awareness campaigns on making donor aid transparent and accountable to the public.

**The Structure of the ACD-MOFEA**

**Figure 1: Macro Structure: ACD and Reporting Lines**

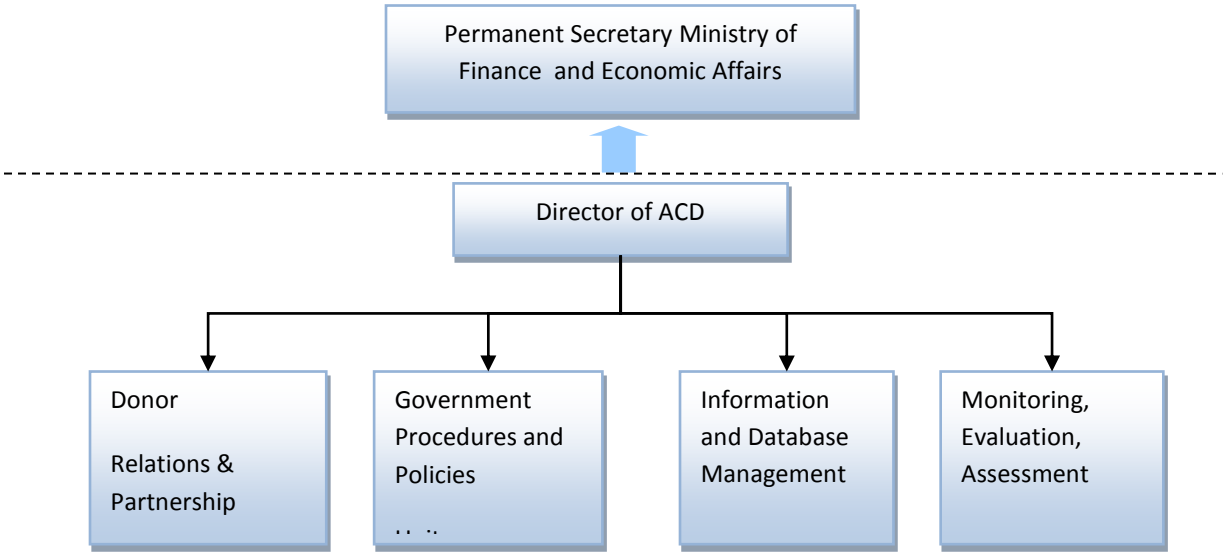



**Figure 2: Donor Relations & Partnership Unit**

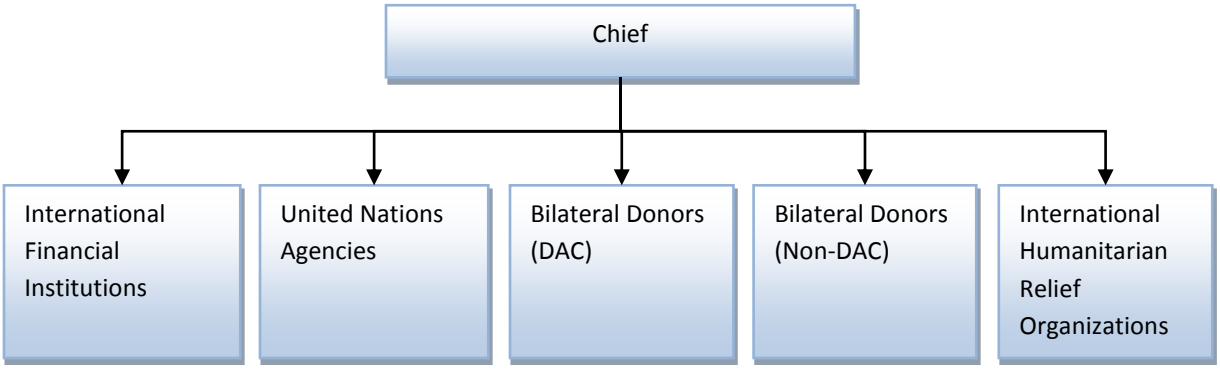


**Figure 3: Government Procedures and Policy Unit**

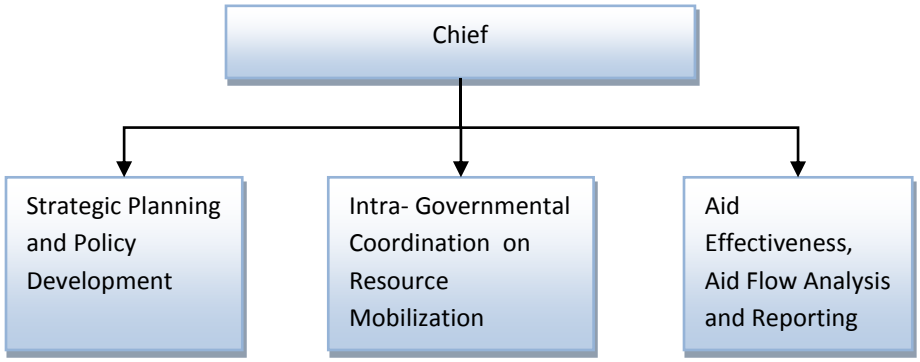



**Figure 4: Information and Database Management Unit**

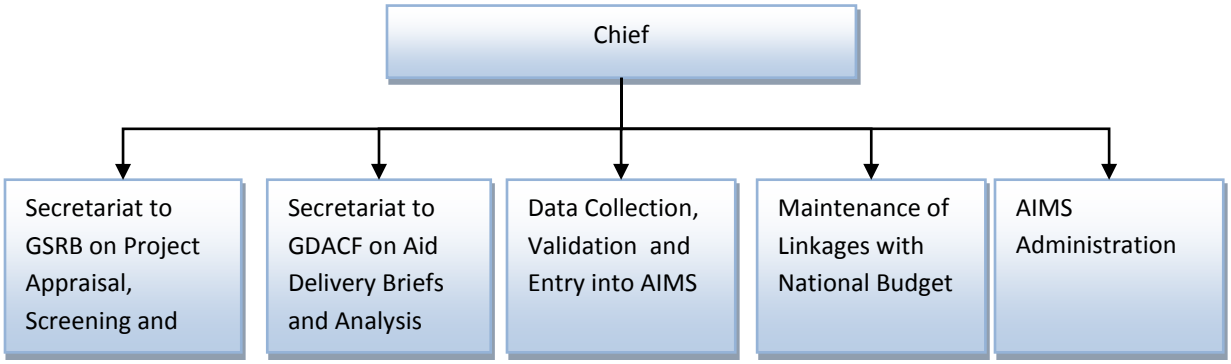
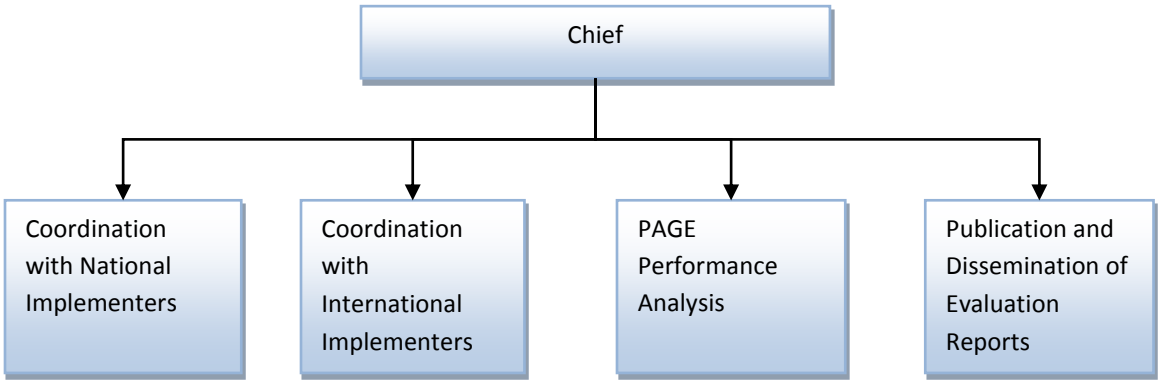



**Figure 5: Monitoring, Evaluation, Assessment Unit**



## APPENDIX 2: AID INFORMATION MANAGEMENT SYSTEM FOR THE GAMBIA

### *Generic Technical Specifications*

### Background

To ensure better development outcomes, donors and aid recipient governments are in pursuit of more effective mechanisms and modalities of aid delivery. The Rome and Paris declarations on aid effectiveness have spelt out a number of partnership commitments for the two sides to strengthen this process even more by focusing on the recipient governments' enhanced capacity to assume the ownership of their development agenda and the leadership of donor coordination.

Over the decades, aid architecture and delivery mechanisms have significantly changed and are still in the process of changing rapidly. Development aid is not always targeted to achieve a certain country's specific development outcomes in a short- to medium-term perspective; as often as not, it is intended to realize longer-term goals, such as MDG targets, and to register improvement in the Paris indicators of aid effectiveness as well.

The need to enhance recipient governments' leadership and ownership of aid coordination, to develop better and more transparent aid management tools for monitoring targeted allocations, and to raise the quality of partnerships between the donors and recipients of aid to the level of international commitments is not argued any more. Furthermore, it is recognized that activities towards such improvements all rotate around available information. In this respect, AIMS of The Gambia is expected to play a critical role in aid and delivery processes since it provides a mechanism and a common platform for transparent and effective aid coordination, management, and reporting. The generic set of functions provided below on AIMS is based on the recommendations of the International Aid Transparency Initiative.

### Functionality and Features:

AIMS is a collaboration platform for various stakeholders and the public to share information on individual projects, programmes, and aid flows in general. It should be web based and administered by the ACD-MOFEA on behalf of the GOTG, to ensure the latter's right of ownership and leadership over aid information-sharing policies and procedures. These policies and procedures, however, should be agreed upon and approved by the representatives of the international community and government agencies, civil society, and non-state actors engaged in aid delivery to The Gambia. The respective Standard Operating Procedures (SOPs) will be developed by the ACD-MOFEA and disseminated to stakeholders for wide acceptance.

The main functions and features of AIMS are drafted below, representing both the description of the ultimate product and its phased implementation by first deploying the system with basic functions. This initial deployment phase will be followed by further enhancements and modifications as the capacity and needs of the government evolve to use, operate, maintain, and manage a better and more sophisticated system linked to the national budget, PFM, and other government-owned financial tools.

The below table depicts a phased approach towards the implementation of AIMS.

| | **Functions and objectives** | **Phase I** | **Phase II** | **Further** | **Complexity** |
|---|---|---|---|---|---|
| 1 | Project/program in financial tracking | X | | | Basic |
| 2 | Monitoring of project outputs and physical progress | X | | | Intermediate |
| 3 | Linking to national budget | | X | | Advanced |
| 4 | Multi-year planning | | | X | Advanced |
| 5 | On-line and off-line data entry and reporting | X | | | Basic |
| 6 | On-line system administration | X | | | Basic |

**Generic Data Sets to Be Captured by AIMS Should Include**:

- Basic data on projects
- Donor disbursements and commitments
- Implementer's expenditures
- Transaction details
- Sector and geographic information
- Channels Instruments of delivery
- Forward planning data: by sector and by project
- Project outputs, outcomes and indicators (KPIs)
- Conditions of assistance
- Paris declaration targets and progress
- Project documentation
- Contact information

**General Features and Services of AIMS Should Allow for:**

1. Multi-user environment
2. Presentation of aid flows through charts and GIS, with modifiable views
3. Compliance with OECD/DAC sector codes
4. Compliance with NB accounts for project expenditures
5. Aggregation and disaggregation possibilities for various financial indicators and KPIs
6. Modifiable databases of donors, implementing partners, recipient agencies and entities
7. On-line and off-line report building options
8. Tracking of expenditures made towards the MDGs and Paris declaration indicators
9. Internal data linkage between all modules listed in the table above
10. Exporting reports into common data management platforms, such as MS Word, Excel, Adobe PDF
11. Document management to allow storage and retrieval of project implementation related documents, such as Project document, approval to closure statements, monitoring reports.
12. Assurance that no duplication of project records takes place
13. Automatic recording and review of updates and generating reports/notifications
14. User friendly easy-to-learn environment for non-professional users
15. On-line user and data administration

**Prerequisites for success**

1. Government ownership and leadership, donors' and implementing partners' partnership; proactive and well-defined data exchange, sharing and reporting policies; strong internal analytical capacity; provision of funds and human resources: these are the main critical aspects to be ensured by the government to sustain the operation and overall use of AIMS.
2. Transparent and timely disclosure of financial and other project-related information will make AIMS a single data repository of aid activities in the country.
3. AIMS should become a daily aid management tool for the government and the development partners, both of whom can benefit from better informed allocations and interventions. The full cycle of development activities can be monitored and tracked, starting from the inception to the completion phase, enabling timely interventions and changes when and where required.
4. AIMS should become an official source of government report both internally and externally.
5. Both the government and donors should commit themselves to apply all efforts to ensure the sustainability of AIMS.
6. Standard Operating Procedures for AIMS', use and operation will be initiated by the government and should become the main policy document for regulating the exchange, sharing and reporting of data, along with clear definitions of terminology, and the roles and responsibilities of the partners. These should be based on commonly accepted practices and international standards.

**Hosting Arrangement**

AIMS should be hosted by a professional hosting company or on the vendor servers, as the case may be, to save on the costs of servers, the networking and internet hardware, the internet connectivity system, and the network specialists/administrators required to manage, maintain, and troubleshoot

such systems. This approach, *inter alia,* will reduce the risks related to ensuring a high level of availability of the system for its users, and will allow the government to concentrate its scarce resources on providing substantial aid management services, rather than on maintaining sophisticated IT hardware and networks.

**Implementation**

The implementation process usually includes a number of steps, for example:

1. Needs assessment to identify, validate and clarify the business process of aid delivery, data collection and planning requirements, as well as mapping out relationships among participating government institutions and development partners
2. Customization of the systems based on the needs assessment results
3. Commissioning and testing the functionality and on-line and off-line tools
4. Training to build the capacity of the government, as well as those of the development partners who are not familiar with the selected AIMS platform
5. Identifying the software problems, if any, and debugging.

## APPENDIX 3, TABLE 1: PROJECT CONCEPT NOTE

| |
|---|
| **SUMMARY** |
| **Date issued** |
| **Raised by** |
| **Code No** |
| **Title** |
| **Implementing Partners** |
| **Project Purpose** |
| **Project Results** |
| **Background, Justification** |
| **Target Groups** |
| **Relationship to GOTG Strategies** |

| | |
|---|---|
| | |
| **Priority** | |
| **Methodologies/ Approaches for Implementation** | |
| **Expected Outputs /**<br><br>**Output Indicators** | **Activity 1** : **xxx**<br>• xxx<br>• xxx<br>**Activity 2 : xxx**<br>• xxx<br>• xxx<br>• xxx |
| **Results / Impact Indicators** | • xxx<br>• xxx<br>• xxx<br>• xxx |
| **Resources / Means** | |
| **Timeframe** | |
| **Monitoring and Evaluation / Milestones** | |
| **Regular Reporting** | |
| **Specific Reporting** | |
| **Financial Modalities** | |

| | |
|---|---|
| **Donor and Stakeholder Contribution** | *xxx*<br>*xxx*<br>*xxx*<br>_____<br>*Total project cost:* |

**GEOGRAPHIC LOCATION**

| ***Prepared by:*** | |
|---|---|
| *Name:*<br>*Signature:*<br>*Date:* ..... | *Name:*<br>*Signature:*<br>*Date:* ..... |

| ***Verified by:*** |
|---|
| *Name:*<br>*Signature:*<br>*Date:* ..... |

## APPENDIX 4: APPROACH TO CAPACITY IN AID COORDINATION AND MANAGEMENT

### 1 Institutional Capacity Development

At the Institutional level capacity building efforts will look at the following aspects:

- **Mission and Strategy-** roles, mandates and mission of all the institutions engaged in aid coordination and management;
- **Culture, structure and competencies-** organizational and management style and standards, organizational structure, salaries, core competencies
- **Processes**- internal and external to the GOTG, supporting such functions as planning and relationships among government departments and donors, financial and human resource management
- **Human resources-** the most valuable of the resources, on which capacity development primarily depends
- **Financial Resources–** operating and capital resources needed by the organization to be effective;
- **Information Resources**– electronic and other tools used to manage resources and tasks
- **Infra structure-** physical assets, computers, telecommunication systems.

### 2 The Human Resource Capacity

The GOTG will make sure that the capacities of ACD staff members are developed and conditions created to maintain and retain competent staff through:

- **Training-** opportunities for learning should be built into the jo;
- **Career progression, job security**-opportunities for learning should lead to merit based promotions
- **Performance measurement-** performance indicators should be in place so that job effectiveness can be measured and rewarded.

### 3 Technical Capacities in Aid Coordination and Effectiveness

This dimension of work of the ACD-MOFEA in particular and the GOTG in general includes the ability to work and manage aid information, using AIMS specifically, this relates to:

- Understanding and interpreting information on donors' commitments and disbursements as well as expenditures made by the implementing partners
- Analysis of the funding gaps and overlaps
- Analysis of results (outputs, outcomes and impact) and KPIs collating financial information with physical progress of projects and programmes;
- Measuring alignment, harmonization and other key properties of external aid
- Developing policy recommendations on future allocations
- Developing, screening and appraisal of project proposals

### 4 Functional Capacities

In addition to the technical tasks relating to aid coordination and management there are several key dimensions of the capacity that are relevant to the functions of the aid coordination and management, which the GOTG will commit to invest in. These functional capacities include:

Engagement in multi-stakeholder dialogue and negotiations Build and manage partnerships with donors and internal stakeholders

Analyzing a situation and create a vision adapting global knowledge to local context Formulating policy and strategy Implementing strategies, action plans and policies setting objectives and targets

Budgeting, management and implementation

Mobilizing and managing resources

Monitoring and Evaluation

The GOTG will develop and implement, with the assistance of its DPs, a comprehensive and long-term capacity development programme, that spans across key technical and functional dimensions of its staff's skills and knowledge, to ensure that the respective government functions on aid coordination and effectiveness are performed satisfactorily and sustained over time.

## APPENDIX 5: MUTUAL ACCOUNTABILITY FRAMEWORK[3]

### I. Three year aid effectiveness targets – *what* needs to be achieved (2013 – 2015)

#### 1. INCREASED COUNTRY OWNERSHIP AND LEADERSHIP

*The GOTG takes the lead in coordinating ODA at all levels with the development partners' support to strengthen its capacity.*

| Principles | Targets | Responsibilities |
|---|---|---|
| • Joint GOTG and DP assessments<br>• Strengthened government capacity<br>• Increased joint work<br>• Engagement of non DAC donors<br>• Engagement of CSOs/ NSAs<br>• Alignment of aid flows behind national priorities | • PD Indicators 10a and 10b: % of joint missions and % of joint analytic work increased from 8% and 54% (2011) to 20% and 58% (2014). Positive trends are observed in 2015 and beyond<br>• PD indicator 9: % of aid flow through programme based-approaches increase from 12% (2011) to 20% in 2014. Positive trends are observed in 2015 and beyond<br>• PD indicator 3: % of aid flows aligned on national priorities increases from 33% (2011) to 55%. Positive trends are observed in 2015 and beyond<br>• Representatives of NSAs participate in all coordination and decision making meetings starting in 2013<br>• Non DAC donors are compliant with GOTG aid policies 2013-2015 | • **Joint**<br>• **Joint**<br>• **Joint**<br>• **GOTG**<br>• **Joint** |

#### 2. INCREASED USE OF STRENGTHENED COUNTRY SYSTEMS

*Reforms of country systems undertaken to ensure disciplined, efficient, effective and transparent systems that DPs commit to use to the maximum extent possible.*

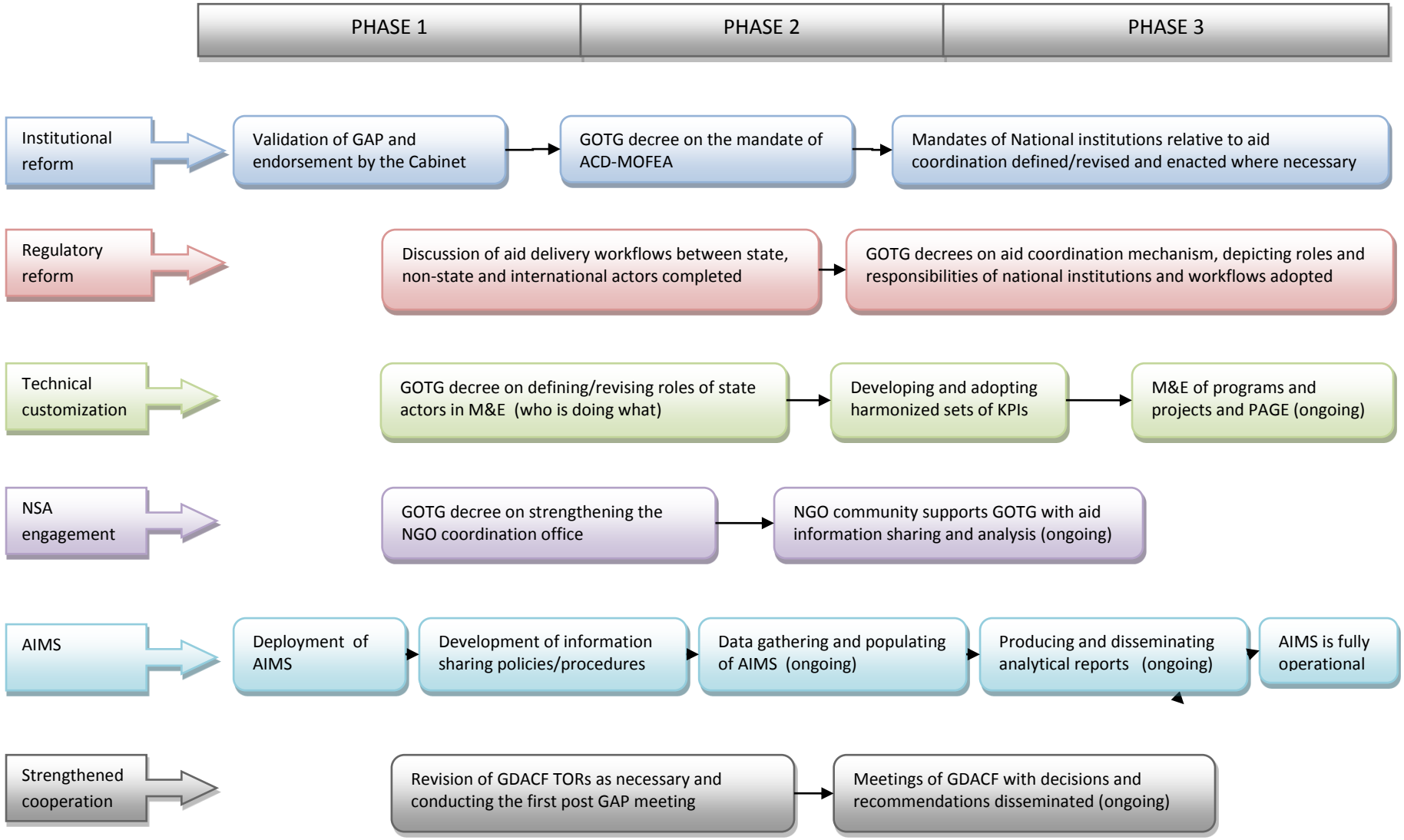
| | | |
|---|---|---|
| • Joint GOTG and DP assessment of reforms<br>• Increased use of country systems<br>• Strengthened systems<br>• Decrease in number of PIUs[4] | • Yearly assessments of the performance of the PFM reform conducted jointly between GOTG and DPs, including participation of civil society. PFM reforms implemented in accordance with the GOTG PFM strategy<br>• GOTG to conduct the OECD/DAC self-assessment of procurement system and develop a strategy to implement the recommendations by December 2013. Procurement system remains credible and operational (2014 and beyond)<br>• PD indicator 6: number of PIUs decreases from 16 (2011) to 12 in 2014 and 10 (2015).<br>• On-budget support (reflected in the budget document) | • **Joint**<br>• **GOTG**<br>• **Joint**<br>• **DPs** |

[3] Results of 2011 survey of PDAE indicators are taken as baseline.

[4] Decrease in the number of PIUs shall be implemented with caution. While PIUs create disparity within e GOTG employees, it shall be also noted, that they have accumulated high capacity for project and programme management and implementation. Therefore, dismantling of PIUs contain is a risk of disruption in programme implementation.

| | | |
|---|---|---|
| | increases by 10% from 2011 to 2014**.** Positive trends are observed in 2015 and beyond on the background of strengthened GOTG capacity to manage projects<br>• PD indicators 5a and 5b: use of country PFM and procurements systems improved by 15% from 2011 to 2014**.** Positive trends are observed in 2015 and beyond | • **DPs** |
| **3. TRANSPARENCY AND PREDICTABILITY OF AID: BUDGET PREPARATION, EXECUTION AND PUBLICATION** | | |
| *Budget execution is published in a reliable and accessible manner and DPs provide reliable indicative commitments of aid over a multi-year framework with timely disbursements.* | | |
| • Decline in off budget support<br>• Production of regular analyses from AIMS | • Budget document and execution progress is published annually<br>• ODA recorded in GOTG accounting systems increased by 10% from 2011 to 2014**.** Positive trends are observed in 2015 and beyond<br>• GOTG, through AIMS, publishes annually the level of development partner aid commitments made for the year and the amount actually provided<br>• GOTG, through AIMS, publishes annually the financial commitments of DPs for the next 3 year period | • GOTG<br>• Joint<br>• GOTG<br>• GOTG |
| **4. DIVISION OF LABOUR, DECREASED FRAGMENTATION AND INCREASED HARMONISATION** | | |
| *Increase in efficiency and effectiveness of work – increased impact, decreased costs* | | |
| • DPs' sectoral interventions are fully aligned to government sector structures<br>• Government takes the lead on division of labour<br>• Agreed number of donors per sector<br>• Fewer small projects | • Average number of donors per sector decreases<br>• Average number of active sectors per donor decreases<br>• Average number of projects per sector decreases<br>• GOTG publishes total and by sector fragmentation index annually, starting in 2012 (baseline) | • DPs<br>• DPs<br>• DPs<br>• GOTG |
| **5. MANAGEMENT FOR RESULTS: ALIGNMENT BEHIND NATIONAL RESULTS AT ALL LEVELS** | | |
| *There is seamless and coherent strategic and operational alignment* | | |
| • Alignment behind one national document for management of results (PAGE)<br>• Use of National Monitoring and Evaluation System designed for PAGE | • National M&E system is operational to measure progress towards PAGE targets (2013)<br>• Number of donors and implementing partners reporting against agreed national results framework increases**.** Positive trends are observed in 2015 and beyond | • GOTG<br>• DPs |

## APPENDIX 6: PLANNED SEQUENCE OF THE GAP IMPLEMENTATION



**APPENDIX 7: DEFINITION OF TERMS**

**Accountability:** Obligation to demonstrate that work has been conducted in compliance with agreed-upon rules and standards or to report fairly and accurately on performance results vis-a-vis mandated roles and/or plans (DAC).

**Activity:** Actions taken or work performed through which inputs, such as funds, technical assistance, and other types of resources are mobilised to produce specific outputs (DAC).

**Addis Ababa Principle:** All donor assistance should be delivered through government systems unless there are compelling reasons to the contrary; where this is not possible, any alternative mechanisms or safeguards must be time-limited and develop and build, rather than undermine or bypass, government systems (Strategic Partnership with Africa, 2001).

**Aid Modalities:** The way donor support is channelled to the activities to be funded. A basic distinction can be made between 1) budget support (which is integrated into the national budget of the recipient country and used according to national public expenditure management rules and procedures), 2) program support (which is kept separate from the general resources in the national budget but should still be reflected in the national budget, and which is used according to rules and procedures that may be more or less in conformity with those laid down in the national public expenditure management system), and 3) in-kind support (which enters the recipient country in the form of goods or services). The term "aid modality" is often used interchangeably with "aid instrument".

**Aid Instrument:** Sometimes used interchangeably with “aid modality” (see the above definition). Examples of "aid instruments" are Sector Programme Support (SPS), Sector-wide Approach (SWAp), Mixed Credit, soft loan, bilateral technical adviser, etc. Aid instruments may operate through either one modality (e.g. bilateral advisers, which are one type of in-kind support) or more modalities (e.g. SPS, which in principle may comprise both budget support, program support, and in-kind support) as defined above.

**Alignment:** Donors base their overall support on partner countries’ national development strategies, institutions, and processes (Paris Declaration).

**Appraisal:** An overall assessment of the relevance, feasibility, and potential sustainability of a development intervention prior to a decision of funding (DAC).

**Assumptions:** Hypotheses about factors or risks, which could affect the progress or success of a development intervention (DAC).

**Audit:** An independent, objective assurance activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to assess and improve the effectiveness of risk management, control, and governance processes (DAC).

**Base-line Study:** An analysis describing the situation prior to a development intervention, against which progress can be assessed or comparisons made (DAC).

**Benchmark:** Reference point or standard against which performance or achievements can be assessed (DAC).

**Budget Support/ General budget support**: Financial support from a donor that is channelled into the general treasury account of a recipient country where, as an integral part of the resources herein, it co-funds the national budget. The support is thus not earmarked, and it is used according to the national public expenditure management rules and procedures.

**Sector budget support**: Financial support from a donor that is channelled into the general treasury account of a recipient country where, as an integral part of the resources herein, it co-funds the national budget of a particular sector. The support is thus nominally earmarked, and it is used according to the national public expenditure management rules and procedures.

**Complementarity** (often also referred to as division of labour): Donors divide sectors and thematic areas among themselves with a view to avoiding the crowding of donors in particular sectors and areas. The consequence will usually be that donors end up focusing on a relatively limited number of areas or sectors and sometimes have to even disengage from some areas or sectors. The Nordic Plus donors have formulated a set of complementarity principles. The key principle is that the Nordic+ donors will be guided by the partner country in the division of labour and the selection of areas/sectors.

**Comprehensive Development Framework (CDF):** An approach launched by the World Bank in 1989 and consisting of four principles: a long-tem, holistic development framework, results orientation, country ownership, and country-led partnership. The CDF pioneered the thinking, which has also inspired the development of Poverty Reduction Strategies

**Conditionalities:** Stipulations, or provisions, which need to be satisfied.

**Consultative Group (CG):** Meetings coordinated by the World Bank where representatives of donor organisations meet with government representatives to discuss the country's economic outlook, governance issues, plans for poverty reduction, and to determine the level of external support a country will need over the next two years.

**Country Assistance Strategy (CAS):** The World Bank's central tool for over-seeing and piloting its country programmes for IDA and IBRD borrowers.

**CPAR (**Country Procurement Assessment Report): Assessment of public procurement systems and standards.

**Delegated Cooperation:** refers to a case in which a donor acts with authority on behalf of one or more other donors of an activity (country programme, sector programme or project). In its pure version, it means that a donor acts on behalf of one or more other donors in all aspects and all phases of an activity.

**Development Assistance Committee (DAC):** the Department in the OECD (Organisation for Economic Co-operation and Development) that handles co-operation issues related to developing countries. DAC is responsible for coordination and integration, and for promoting effectiveness and providing sufficient funding for development assistance in support of sustainable economic and social development.

**Development Intervention:** An instrument for partner (donor and non-donor) support aimed to promote development. Note: Examples are policy advice, projects, and programmes (DAC). **Development Objective:** Intended impact contributing to physical, financial, institutional, social, environmental, or other benefits to a society, community, or group of people via one or more development interventions (DAC).

**Effect:** Intended or unintended change due directly or indirectly to an intervention (DAC).

**Effectiveness:** The extent to which the development intervention's objectives were achieved, or expected to be achieved, taking into account the relative importance (DAC).

**Efficiency:** measure of how economically resources/inputs (funds, expertise, time) are converted to results (DAC). Efficiency, thus, means comparing outputs to inputs.

**Evaluation:** The systematic and objective assessment of an on-going or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, development efficiency, effectiveness, impact, and sustainability (DAC).

**Fiduciary Risks:** The risk that funds are not used for intended purposes, does not achieve value for money, or are not properly accounted for.

**Goal:** The higher-order objective to which a development intervention is intended to contribute. Related term: development objective (DAC).

**Guideline:** Outline of policy or conduct.

**Harmonization:** The degree to which donor actions are more harmonized, transparent, and collectively effective (Paris Declaration).

**Indicator:** Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor (DAC).

**Inputs:** The financial, human, and material resources used for the development intervention (DAC).
**Lead Donor:** A donor-given authority, but not formal decision-making power, to act on behalf of other donors in a sector or thematic area. A lead donor arrangement can be more or less well defined and is only sometimes described in a Memorandum of Understanding (MoU) or Terms of Reference or similar.

**Logical Framework Approach (LFA/Logframe):** Management tool used to improve the design of interventions, most often at the project level. It involves identifying strategic elements (inputs, outputs, outcomes, impact) and their causal relationships, indicators, and the assumptions or risks that may influence success and failure. It thus facilitates the planning, execution, and evaluation of a development intervention (DAC).

**Managing for Results:** Managing and implementing aid in a way that focuses on the desired results and uses information to improve decision making (Paris Declaration).

**Medium-Term Expenditure Framework (MTEF):** Forward medium-term (typically three to five years) estimates of the costs (integrating recurrent and capital spending) of existing policies and proposed policy changes subjected to explicit aggregate fiscal ceilings.

**Millennium Development Goals (**MDG**):** Eight goals drawn from the UN Millennium Declaration (September 2000) to fight against poverty, illiteracy, hunger, lack of education, gender inequality, child and maternal mortality, disease, and environmental degradation by the target date of 2015.

**Monitoring:** A continuing function that uses a systematic collection of data on specified indicators to provide the management and the main stakeholders of an on-going development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds (DAC).

**Monterrey Consensus:** Outcome document of the International Conference on Financing for Development held in Monterrey, Mexico, during 18-22 March 2002, which spelled out actions needed to promote a global partnership for development and accelerate progress towards the MDGs.

**National Strategic Framework:** An established or emerging set of objectives, strategies, policies, and programmes at country and sector level (including e.g. the PRSP, and sector strategies) (Denmark).

**Non-Governmental Organization (NGO):** An independent (from the state or government), not-for-profit organisation. NGOs are wholly or partly dependent on charitable donations and private funds.

The term "NGO" includes a wide range of organisations, such as large, established charities, research institutes, churches and lobbyist groups.

**Official Development Assistance:** Those flows to countries and territories on the DAC list of ODA recipients and to multilateral institutions which are: (i) provided by official agencies, including state and local governments, or by their executive agencies; and (ii) each transaction of which is (a) administered with the promotion of the economic development and welfare of developing countries as its main objective; and (b) concessional in character and conveys a grant element of at least 25 per cent (DAC).

**Outcome:** The likely or achieved short-term and medium-term effects of an intervention's outputs (DAC).

**Outputs:** The products, capital goods, and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes (DAC).

**Ownership:** Partner countries exercise effective leadership over their development policies and strategies and co-ordinate development actions (Paris Declaration).

**Paris Declaration on Aid Effectiveness:** An international agreement to improve aid effectiveness and be held accountable by a series of indicators and targets as a way of combating poverty in developing countries. Endorsed on 2 March, 2005, at the Second High Level Forum on Effectiveness.

**Partners:** The individuals and/or organisations that collaborate to achieve mutually agreed-upon objectives (DAC).

**Performance:** The degree to which a development intervention or a development partner operates according to specific criteria/standards/guidelines or achieves results in accordance with stated goals or plans (DAC).

**Performance Management Framework:** A framework, including well-defined objectives and targets, for performance management and a series of tools to be used to collect the necessary information**.**

**Pooled Funding:** See Basket Funding.

**Poverty Reduction Strategy (PRS):** Describes a country's overall strategy to promote growth and reduce poverty, as well as associated external financing needs. Through a participatory process involving civil society and development partners, governments prepare PRSs. A PRS is a precondition for receiving debt relief under the HIPC initiative and being granted access to development loans from the World Bank and IMF.

**Programme:** A time-bound intervention involving multiple activities that may cut across sectors, themes, and/or geographic areas (DAC).

**Programme-Based Approach:** An Approach based on the principle of co-ordinated support for a locally owned programme of development, such as a national poverty reduction strategy, a sector programme, a thematic programme, or a programme of a specific organisation ( DAC).

**Quality Assurance:** Quality assurance encompasses any activity that is concerned with assessing and improving the merit or the worth of a development intervention or its compliance with given standards (DAC).

**Results:** The outputs, outcomes, or impacts (intended or unintended, positive and/or negative) of a development intervention (DAC).

**Results-Based Management (RBM):** A management strategy focusing on performance and achievement of outputs, outcomes, and impacts (DAC).

**Review:** An assessment of the performance of an intervention, periodically or on an ad hoc basis (DAC).

**Rome Declaration:** An international agreement to improve donor harmonisation. Endorsed on 25 February, 2003, in Rome, Italy.

**Sector:** A coherent set of activities which can be relevantly distinguished in terms of policies, institutions and finances, and which need to be looked at together to make a meaningful assessment.

**Sector Wide Approach (SWAp):** A programme-based approach operating at the level of an entire sector (DAC).

**Stakeholders:** Agencies, organisations, groups, or individuals who have a direct or indirect interest in the development intervention or its evaluation (DAC).

**Sustainability:** The continuation of benefits from a development intervention after major development assistance has been completed (DAC).

**Terms of Reference (TOR):** Written document presenting the purpose and scope of an assignment, the methods to be used, the resources and time allocated, and reporting requirements (DAC).

**Transaction Costs:** The direct and indirect costs incurred by aid providers and recipients, which are specifically associated with the management of aid and the aid partnership generally. Costs may be determined in terms of funds, time, use of resources, efficiency losses, etc. Often, the term is used particularly about the transaction costs on the recipient side.

**Validity:** The extent to which the data collection strategies and instruments measure what they purport to measure (DAC).