

COOPERAÇÃO
PORTUGUESA

IPAD Instituto Português
de Apoio ao Desenvolvimento, I.P.

AID EFFECTIVENESS

2010

PROGRESS REPORT

Technical Information:

- *Title:* Progress Report 2010 – Aid Effectiveness
- *Publisher:* MNE/Instituto Português de Apoio ao Desenvolvimento
- *Pages:* 24
- *Date:* December, 2010
- *Website:* <http://www.ipad.mne.gov.pt>
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1. Introduction

Following the Paris Declaration (2nd High Level Forum on Aid Effectiveness, 2005) and the Accra Agenda for Action (3rd High Level Forum, 2008), the bilateral donors, the multilateral organizations and the partner countries committed themselves to draw up “Action Plans” for the purpose of implementing measures emanating from these documents.

Portugal, as signatory of the said Declarations, presented the “Portuguese Action Plan for Aid Effectiveness” (June, 2006), the Progress Report of the said Action Plan (July, 2008) and the Action Plan for Aid Effectiveness – from Paris to Accra (October, 2009). The latter identifies 55 actions, some of which were already identified previously in the Paris Declaration and in the EU Action Plan, aiming at more effective aid.

A Progress Report on the implementation of actions referred to in this document should be presented one year after the presentation of the last Action Plan of the Portuguese Development Cooperation. This report reviews the period from October 2009 to December 2010.

2. Summary Review

The main developments which took place in Portuguese Development Cooperation concerning the implementation of the 55 actions identified in the “Portuguese Action Plan for Aid Effectiveness – from Paris to Accra”, are presented here.

The detailed review on the implementation level of the said actions will be detailed in the following chapter.

2.1. Specificity of Development Aid Relations with Partners

The review of the Portuguese Development Aid level of implementation of the 55 actions mentioned requires the identification of the specificity of Development Aid Relations which Portugal has with its Partner Countries.

In general, these countries have weak institutions and governmental structures (**Fragile States**) and suffer severe constraints at administrative or management (and leadership) capacity level where their own development is concerned. Due to this fact, our approach to the Paris Declaration and the Accra Agenda is forced to adapt to fragile and sometimes to conflict situations. Therefore, whenever **Ownership** capacity support to these countries is mentioned, we refer to democracy-building support (Rule of Law), to aiding in the proper functioning of institutions, to promoting stability and security, and to facilitating the accountability and commitment of these countries towards their own development.

Where **Alignment** is concerned Portuguese Development Aid follows the Poverty Reduction Strategy Papers (PRSP¹) or similar strategies. However, bearing in mind each Partner country's specific context, full Alignment is not always feasible. In such cases, we ensure that the Development Projects/Programs are consistent with the functioning and organization of the partner (their procedures, proceedings and practices).

Although this is clearly one of the issues where constraints are felt most vividly, it is also worth mentioning that important progress has also been made, such as: the adoption of forms of aid which make use, by definition, of the partner's systems, namely, general budget support and sector budget support and the early identification of projects and respective funding, subject to inclusion in the State Budget (SB), as is the case of Mozambique and Cape Verde.

This is also one of the reasons why the Portuguese Development Cooperation focuses its activities on capacity development. This capacity is indeed seen as crucial in order to achieve the partner's development and the consequent ownership capacity through its development.

Concerning **harmonisation** (donor-donor), Portuguese Development Cooperation has participated in a greater number of exercises with other aid donors, namely in the trilateral cooperation in Mozambique and East Timor. In the latter country, the possibility of establishing a trilateral cooperation agreement with Indonesia, Singapore and Argentina is being considered. Concerning joint work with other donors, Portuguese Cooperation has not been involved in actions (studies, assessments, among others) in conjunction with other donors, due to limited financial and human resources. However, we have been following joint assessments carried out within the DAC (Paris Declaration) and the European Commission (budget support) and we view these as learning experience.

¹ *Poverty Reduction Strategy Papers.*

Regarding **Division of Labour**, Portugal bears in mind internationally defined actions in this matter, having already implemented actions to this intent. Thus, Portugal has participated in meetings with other donors to discuss the implementation of the EU Code of Conduct guidelines in certain partner countries, has made known to the Embassies and to the IPAD Departments its commitment at European level toward Division of Labour and Complementarity and has shown its intention to concentrate aid both geographically and sectorally, which is reflected in the new Indicative Cooperation Programmes (PIC), as well as in other types of cooperation, namely, delegated cooperation which has already been implemented in Mozambique and which is in preparation in Cape Verde and East Timor.

In **mutual accountability** attention is focused on providing regular partners with all information on aid flows, as well as on cooperation accountability through participation in monitoring exercises both at national and international level.

Concerning **result-based management**, new internal standards and procedures were adopted which allowed for improvement in the quality of information on the project, which has resulted in better monitoring of its implementation. There has also been a growing articulation between headquarters, embassy cooperation services and project partners. It should also be pointed out that progress has been made in terms of establishing an evaluation culture conducive to the incorporation of evaluation results in future interventions.

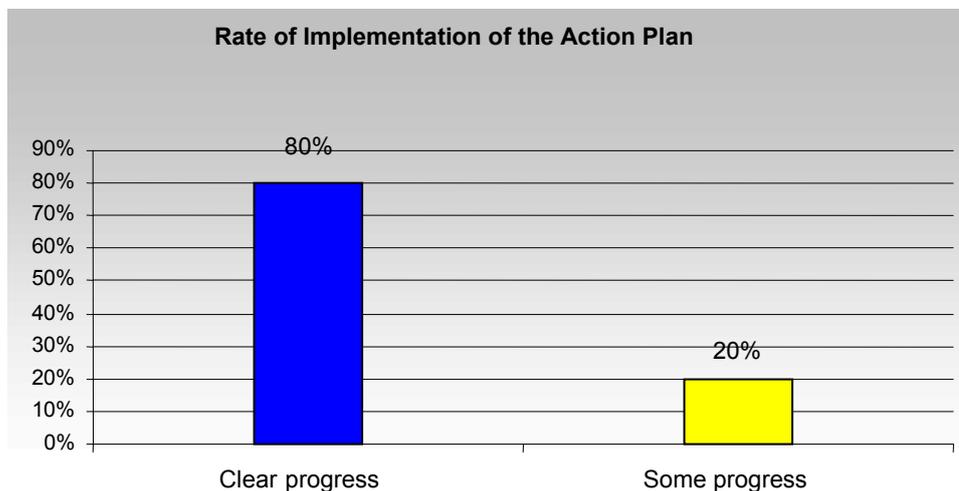
Portuguese Development Cooperation has also shown a growing concern towards **incentives** to aid effectiveness: actions were taken to raise awareness of Embassies on the need to meet the guidelines on effectiveness; two training sessions for IPAD workers on the division of labour and aid effectiveness were held; this issue was also discussed with the line-ministries in a meeting of the Interministerial Commission for Cooperation (CIC - Comissão Interministerial para a Cooperação); and IPAD's website regularly presents theoretical frameworks and international guidelines as they emerge, as well as all plans, assessment results and progress reports that enable **monitoring** of Portugal's contribution to aid effectiveness.

2.2. Assessment of action implementation level

The information gathered and detailed in Section 3 shows that the end result of the implementation of actions which allow for the carrying out of the 55 actions outlined in the Action Plan is positive. Out of these 55 actions, 44 have made clear progress, which represents a

positive balance of 80%. The remaining 11 actions, despite some progress made, should be given more attention in order to facilitate their improvement (20%).

Rate of implementation of the Action Plan



Source: IPAD

Actions which have made clear progress are the following:



1, 2, 3, 4, 5, 6, 7, 12, 13, 15, 16, 17, 19, 20, 22, 25, 26, 27, 28, 29, 30, 31, 32, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, e 55

Those actions which have made some progress, but still deserve special attention in order to improve implementation, are the following:



8, 9, 10, 11, 14, 18, 21, 23, 24, 33 e 44.

To improve the performance of Portuguese Cooperation in the pursuit of the actions laid down in the Aid Effectiveness Action Plan the following aspects must be borne in mind:

- Make use of local and regional technical cooperation through triangular cooperation mechanisms;

- Implement the new project worksheets in order to ensure that applications to receive IPAD funds clearly identify the sector areas of intervention in the Partner Poverty Reduction Strategy or similar document;
- Promote the inclusion of projects' financial information in the Partner's State Budget. To this purpose, timely delivery of this information to the Embassies must be ensured in order to, in turn, allow these Embassies to communicate with the competent Ministries. Get in touch with the partner to try to understand why some projects were not submitted and to solve any constraints. Apply this exercise in a more effective way in Angola and work together with the authorities of Guinea-Bissau and other donors in order to include the cooperation projects in the State Budget of this country;
- Promote a greater use of partner country procurement systems (local and regional procurement);
- Raise Embassy awareness of the need to improve the identification of a PBA (Programme-based Approach) of the countries in question, with a view to integrating cooperation activities in PBA's. This information will then be included in full in the Cooperation Database (managed by IPAD).
- Ensure greater involvement of sector ministries in the *ex-post* notification of the Bulletin Board questionnaire;
- Participate in joint assessment missions with other donors, as well as in the joint drawing up of documents (reviews, diagnostic studies and assessments);
- Request regular information of the Embassies on the implementation of the EU Code of Conduct on the Division of Labour and Complementarity;
- Improve coordination between objectives of humanitarian nature and developmental aims.

3. Report

3.1. Implementation of the actions of the "Portuguese Action Plan for Aid Effectiveness"

In this section we intend to keep track of progress made and the constraints encountered in implementing each of the 55 actions recommended in the "Portuguese Action Plan for Aid Effectiveness – from Paris to Accra".

The review follows the structure presented in this document, in accordance with the key dimensions of the "Agenda for Action in Accra": Ownership, Alignment, Harmonisation, Division of Labour, Mutual Accountability, Managing for Development Results, Fragile States, Incentives and Monitoring.

3.1.1. Ownership

| Action | Goal | Accomplishment |
|--|-------------|--|
| 1. To ensure that the preparation of the Indicative Cooperation Programmes (PIC) continues to result from discussion and active participation between Portugal and the partner country authorities. | In Progress | <p>The different stages of the drawing up the new PIC procedures always involve the active participation of partner country authorities. These are:</p> <ol style="list-style-type: none"> 1. Political-economic analysis of the partner country; 2. Discussion between the various players in Portuguese Cooperation and the partner country (identification of priority areas and projects); 3. Negotiation process with partner country authorities in order to meet their needs and requests; 4. When the document is in its final stages, the last negotiation takes place to allow the joint approval of the final version. <p>Furthermore, regular missions to the various countries take place in which partner governments are involved the aim of which is to monitor the implementation of PIC.</p> |
| 2. To direct aid to the capacity development of partner country people and institutions, in order to promote their leadership capacity. | In Progress | <p>The PIC include a range of activities for the capacity development of people and institutions of beneficiary countries (Portuguese Speaking African Countries and East Timor), in order to achieve Good Governance and Sustainable Development. The following up of these actions involves several interested parties of the partner countries.</p> <p>Besides this involvement, Strategic Monitoring Commissions (SMC) were instituted in the <u>larger projects</u>. These commissions are presided over by the partners and work as a leadership engine in running these projects.</p> |

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| <p>3. To continue to concentrate aid in the capacity development of partner Finance, Justice and Security systems, as well as in the areas of Education, Health and Agriculture.</p> | <p>In Progress. Next programming cycle should be strengthened (2010: Angola, Mozambique, Guinea Bissau, East Timor; 2011: Cape Verde, Sao Tome and Principe). *</p> | <p>Finance, Justice, Security, Education, Health and Agriculture areas are given priority in the drawing up of new PIC. The choice of a certain area results from the realities and needs identified by each partner and presented in their strategy documents.</p> <p>Note the role played by Cooperation Agents, for instance: under Law 13/2004 – 14th April, in 2009 and 2010, 548 cooperation agents were hired to work in PALOP countries and East Timor, divided into the following areas:</p> <ul style="list-style-type: none"> a) 7 cooperation agents were hired to perform duties in the Justice sector in 2009 and 8 agents in 2010; b) 288 cooperation agents were hired to perform duties in the Education sector in 2009 and 222 agents in 2010; c) 5 cooperation agents were hired to perform duties in the Agricultural sector in 2009 and 5 agents in 2010; d) 6 cooperation agents were hired to perform duties in the Security sector in 2009 and 6 agents in 2010. e) 1 cooperation agent was hired to perform duties in the Health sector in 2010. |
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| <p>4. To decentralize aid, promoting the partner's capacity development in regional government, in civil society associations, and even in its private sector.</p> | <p>In Progress. Next programming cycle should be strengthened (2010: Angola, Mozambique, Guinea-Bissau, East Timor; 2011: Cape Verde, Sao Tome and Principe) and also strengthening of support lines to civil society. *</p> | <p>The main projects of the Portuguese Cooperation have clearly aimed at institutional capacity development.</p> <p>Projects supported by the Labour and Social Solidarity Ministry (MTSS) are also a good example, since they seek to enhance institutional capacities, by funding the purchase of materials and equipment, providing technical and legislative support, seeking a wider and more effective applicability on social protection, and developing training as well as providing education grants for staff members. Project implementation of MTSS is the full responsibility of the local partners, the release of funds being made according to rules previously agreed to between both parties, and in some cases, with support from the Embassy cooperation services for financial control of funds allocated to infrastructure construction.</p> <p>IPAD also has an annual funding line for DNGO Development projects. These DNGO generally develop projects in partnership with local DNGO some of which promote the institutionalization and capacity development of small local associations, e.g., farmers, craftsmen and others. The aim is to promote associativism in order to increase production and facilitate access to markets, as a means of subsistence and income generation.</p> <p>In 2010, for instance, Portugal hired two cooperation agents to provide technical legal advice to the Technical Secretariat for Electoral Administration of East Timor, supporting, among other activities, the first municipal elections in the country.</p> |
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* This goal was changed since the Guinea-Bissau PIC was drawn up in 2010, instead of 2011, and the Cape Verde PIC will be drafted in 2011.

3.1.2. Alignment

| Action | Goal | Accomplishment |
|--|---|---|
| 5. To reinforce the alignment of the PIC with the objectives identified by partner countries in their Poverty Reduction National Strategies, or equivalent documents. | In Progress. Next programming cycle should be strengthened (2010: Angola, Mozambique, Guinea Bissau, East Timor; 2011: Cape Verde, Sao Tome and Principe). * | PIC are drawn up in accordance with the objectives identified in the Poverty Reduction National Strategy (or similar document) and in other strategic documents of the partner countries. |
| 6. To ensure that PIC timing is aligned (synchronized) with the partner programming schedules and budgetary cycles. | In Progress | The period in which the new PIC are in effect takes into account the schedules and budgetary cycles of partner countries, with a flexibility that allows them to adapt to respective timeframes. A good example is the case of Mozambique, where the PIC signed for the 2007/2009 period has been extended by one year to accompany the partner's Poverty Reduction Action Plan which had been extended by one year (until 2010). |
| 7. To ensure that Technical Cooperation (TC) is provided in a transparent manner, in response to needs identified by the partner who assumes the role of selector of the said TC. | In Progress | Portuguese Cooperation has produced a document on "Capacity Development", which defines the guidelines that should guide technical cooperation. This is provided in a transparent manner and always at the partner's request. In the Institutional Support Project to the Internal Affairs Ministry and in the Justice Program in Mozambique, for instance, the Reference Terms of the TC have been validated by the partner. Also in Angola, the partner was responsible for the process of selecting and hiring in the Support to Ministry of Planning Project. Projects such as the Support Project for Higher Education, Masters Degrees and Technical Assistance to the Government of Cape Verde as well as the Biosphere Project in Sao Tome and Principe are examples of projects where their executors were identified/selected by the competent local authorities. |
| 8. To promote, where possible, the use of local or regional TC, particularly using Triangular Cooperation. | In Progress | The main objective of the Portuguese Cooperation Capacity Development Projects is to train the partner's human resources so that, in the future, they become responsible for the said capacity development. The Health for All Project in Sao Tome and Principe, for instance, is an example in which training of health technicians and administrative staff is already provided by local technicians and the project of the PALOP Portuguese Schools which includes the hiring of teachers of several nationalities, including local teachers, is also a good example. |

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| <p>9. To ensure that projects applying for IPAD funding identify the sector area of the Poverty Reduction National Strategy or of the partner's Sector Plan that need to be addressed through summary sheets and project document checking.</p> | <p>In Progress</p> | <p>Applications submitted to IPAD identify the sectoral areas into which projects fall. However, in the next project sheets that are being further improved special attention will be given to identify those areas in the Partner's Strategy.</p> <p>The projects submitted to the Funding Line for NGO Development Projects, according to the rules and criteria defined, must identify the sector areas of the Poverty Reduction National Strategy and/or of the Sector Plan of the recipient country.</p> |
| <p>10. To report the amounts of foreign aid in a timely fashion with a view to their possible inclusion in the partner's State Budget (SB) .</p> | <p>In Progress. Next programming cycle should be strengthened (2010: Angola, Mozambique, Guinea Bissau, East Timor; 2011: Cape Verde, Sao Tome and Principe). *</p> | <p>The amounts of foreign aid are reported annually to the partner countries. This reporting will continue to be made with the purpose of including these amounts in the Portuguese Speaking African Countries and East Timor State Budgets with the exception of Angola and Guinea-Bissau. In Angola, an initial exercise of projects' identification and projects' reporting to the Portuguese Embassy in Angola, to be executed in 2010, has already started, but a better articulation of this exercise with the partner is still necessary. In Guinea-Bissau, a country with very weak structures, it has not yet been possible to carry out this work.</p> |
| <p>11. To work with the Embassies and field delegations to identify measures to be taken so that a larger portion of aid is included in the partner's State Budget, namely technical cooperation.</p> | <p>To begin in 2010</p> | <p>This work was initially performed with the Portuguese Embassy in Mozambique. For this purpose, IPAD provided information on the projects likely to be included in the State Budget and the correspondent amounts for the following year. The Embassy promoted meetings with several of the partner's ministries involved in the projects and requested the inclusion of the amounts in the State Budget, as it is up to each ministry to send the information to the Ministry of Planning and Development and to the Ministry of Finance of Mozambique, when the State Budget is being prepared.</p> <p>As mentioned above, currently this information is already provided on an annual basis for almost all PALOP and East Timor (except for Angola and Guinea-Bissau).</p> |
| <p>12. To make use of partners' systems wherever possible. Where this is not feasible (because the management capacity of the partner does not recommend it), it is necessary to direct assistance towards capacity development and towards reforming partners' systems and institutions.</p> | <p>In Progress</p> | <p>Portugal has made efforts to use, whenever possible, the partners' systems.</p> <p>In Cape Verde, the physical and financial execution is, in most large projects, the responsibility of the Government. To this end a Protocol has been established which ensures the need for the partner to open a Treasury account for the project. Also in Mozambique, wherever possible, the partner's systems are used. As the necessary conditions are created, the Portuguese Cooperation aims to broaden the use of the partners' systems to other beneficiary countries and sectors.</p> <p>Portugal is also involved in various forms of aid such as general budget support in Mozambique and Cape Verde and sectoral support in areas such as education and statistics in Mozambique, which use the respective partners' systems.</p> |

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| <p>13. To promote the partners' responsibility for conducting public aid tenders (from the pre-contract phase to the purchase of goods and services). For this purpose and where necessary technical cooperation to support capacity development will be provided in order to purchase these goods and service systems.</p> | <p>In Progress</p> | <p>Partners' accountability for project implementation has been an IPAD growing concern.</p> <p>In the Support Project to the Ministry of Planning in Angola, the partner was responsible for the contracting and selection process.</p> <p>In Cape Verde, the procurement proceedings of the Belem Tower, the Vocational Training Centre of Fogo, the High School and the Haemodialysis Reconstruction Projects and subsequent awards, were executed exclusively by Cape Verdean authorities.</p> <p>In MTSS projects with several PALOP countries, these projects are executed by local partners, who are responsible for the procurement of goods and services in accordance with the procedures established in each country.</p> |
| <p>14. To continue to promote, whenever possible, the purchase of goods and services at local/ regional level, through procurement processes and through a transparent and open purchasing of goods and services.</p> | <p>In Progress</p> | <p>Whenever possible, the procurement of goods and services in Portuguese Cooperation projects is carried out in compliance with the procurement rules of the beneficiary.</p> <p>In Angola, local purchases were made in GDLN and Learn More Projects. In Mozambique, the support given in setting up a Biotechnology Center, the Institutional Support given to the Ministry of Internal Affairs and the support given to the Chokwé School also complied with the procurement rules of the country.</p> <p>Other examples are the Technical-Police Cooperation in Cape Verde, the Support Program to Education and the Support Program to Intensification of Food Production in Guinea-Bissau as well as the Health for All and Escola Mais Projects in Sao Tome and Principe.</p> |
| <p>15. To use, where possible, financial reporting, auditing, and related documents drawn up by partner institutions.</p> | <p>In Progress</p> | <p>These documents are used in reviewing the information analysis on partner country data in order to draft and follow up the new PIC.</p> <p>Also, FASE and Common Statistics Fund Reports are used in Mozambique. Reports submitted to the European Commission by the partner country, Cape Verde, in CAMPO and DIAS Projects were accepted.</p> |
| <p>16. Project Management Units should not be set up in parallel with (partner's) national structures.</p> | <p>In Progress</p> | <p>Portuguese Cooperation has no Project Management Units that run in parallel with partner's national structures.</p> |
| <p>17. To promote the use of the approach-program modality (PBA), namely, by adopting aid forms such as: the budget general support, sector budget support (where this is recommended by the partner at management level), and supplying TC integrated in sector programs.</p> | <p>In Progress. Next programming cycle should be strengthened (2010: Angola, Mozambique, Guinea Bissau, East Timor; 2011: Cape Verde, Sao Tome and Principe).*</p> | <p>The new PIC include, whenever possible, new aid forms. This is already happening through budget general support in Mozambique and Cape Verde and sector budget support in the areas of education and statistics in Mozambique.</p> <p>The adoption of new aid forms in the new PIC of East Timor (2011-2013) is also foreseen.</p> |

18. To identify the aid flows with "PBA" modality.

Beginning in 2009

IPAD began a joint exercise with the Portuguese Embassies in partner countries in order to identify the partners' PBAs thus allowing cooperation activities to be integrated into those Programs. Simultaneously and as a result, this data will be included in the Cooperation Database.

19. To continue to implement the Recommendation for the untying of direct aid to Least Developed Countries and Highly Indebted Poor Countries.

In Progress

Portugal has made efforts to implement the DAC Recommendation on the untying of aid to LDCs, which is operational since 2002. Between 2007 and 2008, untied aid given to these countries increased from 91% to 95%, contributing to the consequent reduction of tied aid.

Degree of untied aid of the Portuguese ODA bilateral commitments

| | 2007 | 2008 | 2009* |
|---------------|------|------|-------|
| Untied | 91% | 95% | - |
| Tied | 9% | 5% | - |

* waiting for the calculation of this amount in 2009 by the OECD/DAC.

Source: OECD/DAC

20. To review cooperation projects/programs on the basis of their status (tied/untied).

As of 2009

It is possible to include in the Portuguese Cooperation Database different projects according to their status (tied/untied). This happens whenever a new project is set up and included in the Database. The project's status can be changed whenever necessary.

In terms of statistical reporting to the OECD, Portugal began to notify the status of all aid flows (payments as well as commitments).

Still on this subject, a bilateral technical meeting between the OECD/DAC Statistics Working Group, IPAD, and representatives of MAOT (Ministry of Environment and Land Planning), MDN (Ministry of National Defence) and MFAP (Ministry of Finance and Public Administration) was held in 2010 in order to clarify and harmonise various technical issues, particularly concerning the clarification of the way to report Credit Lines. This was an important step towards correct interpretation of the numbers of the "tied status".

21. To make greater use of the system of OECD untied aid offers (Bulletin Board): To notify ex ante the call for tender notice in the Bulletin Board, and to inform ex-post the names of the companies which were awarded contracts for the implementation of aid projects.

In Progress. Next programming cycle should be strengthened in 2010.

Portugal has not notified its activities ex-ante, since they refer to small amounts and, as such, below the minimum limits established for notification in the Bulletin Board.

Portuguese Cooperation respect the rules of ex-post notification, in compliance with the questionnaire response, but plans to extend response coverage to the most representative Ministries.

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| 22. To choose, whenever possible, untied aid forms such as direct budget support and sector budget support. | In Progress. Next programming cycle should be strengthened in 2011. | Portuguese Cooperation adopts, whenever possible, the line of general and sector budget support under the PIC. Support to FASE (education sector) and to the Common Fund of Statistics in Mozambique as well as general budget support in Cape Verde and Mozambique are currently underway. |
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* This goal has changed since the PIC of Guinea-Bissau was drawn up in 2010, instead of 2011, and the PIC of Cape Verde will be drafted in 2011.

3.1.3. Harmonisation

| Action | Goal | Accomplishment |
|---|----------------|---|
| 23. To participate, whenever possible, in joint assessment missions with other donors. | Beginning 2010 | Portuguese Cooperation did not participate in any joint assessment missions with other donors, either due to limited financial and human resources, or because there were no evaluations of other donors in the main partner countries of Portuguese Cooperation. The exception was in Mozambique, where Portuguese Cooperation has decided to carry out PIC evaluation and, simultaneously, evaluate cooperation in the Justice sector. |
| 24. To participate, whenever possible, in the joint review/diagnostic studies/evaluations, thus avoiding unnecessary parallel processes. | In Progress | Portuguese Cooperation is not involved in any joint evaluations with other donors due to limited financial and human resources. However, Portuguese Cooperation follows the implementation of joint evaluations in the context of CAD (Paris Declaration) and of the European Commission (budget support) and tries to draw lessons there from. |
| 25. To promote the implementation of triangular cooperation agreements. | In Progress | <p>Portugal already has triangular cooperation agreements with some partner countries (Cape Verde, Guinea-Bissau, Mozambique and East Timor) and there will be an opportunity for triangular cooperation to be reinforced under the new PIC.</p> <p>Where East Timor is concerned there is a possibility of a triangular agreement with Indonesia, Singapore and Argentina being implemented.</p> <p>Where Mozambique is concerned, the Delegated Cooperation IPAD/COM/MOZ Project in the area of Domestic Security (Institutional Support to Ministry of Internal Affairs), is underway.</p> <p>As regards Cape Verde, the CAMPO Project funded by the European Commission, Portugal and Spain is in progress and in Guinea Bissau the "Obstetric and Neonatal Care" Project implemented in partnership with UNFPA and the "Access to Basic Education Support" Project implemented in partnership with UNICEF are also underway.</p> |

3.1.4. Division of Labour

| Action | Goal | Accomplishment |
|---|---|--|
| <p>26. To promote extensive discussions both domestically and with partner governments and other donors on division of labour and complementarity, and to establish a network of focal points for the Division of Labour in the priority countries of Portuguese Cooperation on a country by country approach basis.</p> | <p>In Progress</p> | <p>The commitments made at European level on Division of Labour and Complementarity, and the operational recommendations for their respective implementation were made known by the Portuguese Cooperation to Embassies, IPAD Departments and in a CIC meeting where the topic was raised. For this purpose, internal training sessions on these matters took place.</p> <p>Furthermore, under the EU Code of Conduct and to comply with its guidelines, Portugal already has concentrated its support both at geographical and sector levels. Particularly in Mozambique, Portugal participates in the initiative to accelerate Division of Labour implementation among donors. The Institutional Support to the Internal Affairs Ministry Project in Mozambique, resulting from a division of labour process, is a specific example of this. The implementation and management of the project is delegated to Portugal by the European Commission.</p> <p>For the time being, an inter-services network of focal points for the Division of Labour was only identified for Mozambique.</p> |
| <p>27. To participate in EU joint exercises to promote and implement Division of Labour (Fast Track Initiative), whenever they take place in one of the priority countries of the Portuguese Cooperation.</p> | <p>In Progress</p> | <p>Portugal participated in the identification of an inter-services network of focal points for the Division of Labour in the Fast Track Initiative countries (Mozambique is, to date, the only example among the Portuguese Cooperation Partner countries). To this end, Portugal participated in a Task Force of donors for the implementation of the Code of Conduct in Mozambique.</p> |
| <p>28. To draw up a document on self-diagnosis in order to measure the comparative advantages of the Portuguese Cooperation based on current and prospective data, enabling decision making for a better allocation of resources which will take into account the partner countries' needs.</p> | <p>Document written in 2009. Implementation foreseen from 2010 onwards.</p> | <p>In late 2009, a document on Portuguese Self-assessment was drafted, as part of the implementation of the Code of Conduct on Labour Division and Complementarity in Development Policy.</p> <p>The self-diagnosis findings were presented and disseminated to partner countries of the Portuguese Cooperation, and were taken into consideration in drafting the new PIC (Angola, Guinea-Bissau and East Timor) as well as in the PIC evaluations ending in 2010.</p> |

Portuguese Cooperation is focused on six priority countries: Angola, Cape Verde, Guinea-Bissau, Mozambique, Sao Tome and Principe and East Timor which are mostly in a fragile situation (with the exception of Cape Verde and Mozambique). When drawing up the PIC with these countries, Portugal sought to concentrate aid geographically and sectorally where each of these countries is concerned.

29. To maintain the geographic concentration (50-80%) of the available resources of the Portuguese Cooperation at a maximum of 6 priority countries, through responsible withdrawal strategies, granting special attention to Fragile States and/or "Orphan" States.

In Progress

**Geographical Distribution
of Bilateral net ODA 2006/2009**

| COUNTRIES | 2006 | 2007 | 2008 | 2009 |
|---------------------------|----------------|----------------|----------------|----------------|
| ANGOLA | 15.996 | 13.975 | 13.250 | -7.074* |
| CAPE VERDE | 37.688 | 31.921 | 43.286 | 38.364 |
| GUINEA-BISSAU | 11.761 | 11.518 | 12.371 | 10.361 |
| MOZAMBIQUE | 17.268 | 15.799 | 17.410 | 48.831 |
| S. TOME AND PRINCIPE | 8.952 | 9.539 | 9.209 | 10.637 |
| PALOP** | 2.846 | 4.004 | 3.539 | 4.899 |
| EAST TIMOR | 30.673 | 34.071 | 27.030 | 24.872 |
| OTHER COUNTRIES*** | 43.149 | 76.533 | 132.767 | 55.222 |
| BILATERAL TOTAL | 168.333 | 197.360 | 258.862 | 186.112 |

* In 2009, the repayment of principal on the debt restructuring agreement with Angola (signed in 2004) began, which generated a negative ODA (20 M €).

** Projects including various Portuguese Speaking African Countries.

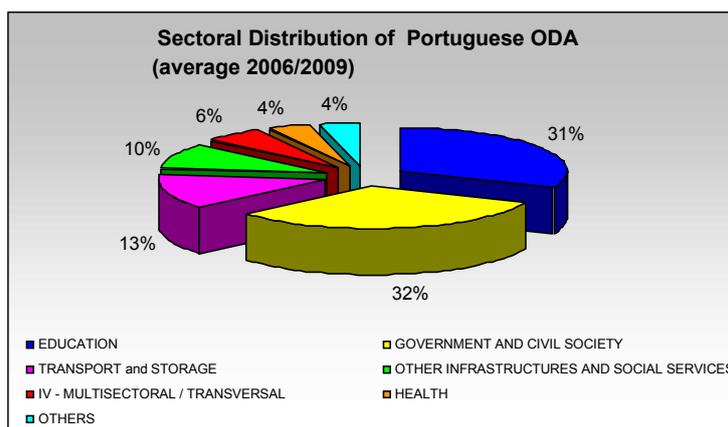
*** High values of this line refer to a credit line to Morocco and to the participation in peacekeeping missions under UN.

Source: IPAD

One of the IPAD's concerns in the drawing up of PIC has to do precisely with the attempted reduction to a smaller number of sectors in each partner country. Thus, Education, Government and Civil Society and Social Services sectors, make up on average approximately 73% of the total ODA 2006/2009. The Transport and Storage sector accounts for 13% and is due to loans granted to build infrastructures.

30. To concentrate the active participation in no more than 3 sectors in each partner country of the Portuguese Cooperation, through responsible strategic withdrawal (phasing out).

In Progress



Source: IPAD

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| <p>31. To ensure that any concentration will result mainly from the development priorities and needs identified by each partner and under their leadership, taking into account the possible need for strengthening the partner country ownership and capacities in order to take responsibility for donor coordination processes.</p> | <p>In Progress</p> | <p>The process of choosing the concentration areas takes place according to the negotiation process with the partner country, reflecting the priorities identified in its Poverty Reduction National Strategies or similar documents.</p> |
| <p>32. To review internal mechanisms, including harmonisation of legal and administrative requirements, to participate in delegated cooperation mechanisms, namely, the delegation of the European Commission (EC) and/or other donors in the Portuguese Cooperation and vice versa.</p> | <p>In Progress</p> | <p>As mentioned before, the Project for Institutional Support to the Internal Affairs Ministry in Mozambique, is being implemented within the framework of delegated cooperation. The IPAD Certification as an officially recognised authority for the management of European Commission funds, has contributed to this process.</p> <p>In November 2010, for instance, the EU Annual Action Programme for East Timor, amounting to 39 million euro was approved. In this framework, the IV Rural Development Programme stipulates an action implemented through delegated cooperation with IPAD and GTZ, and actions in media and justice sectors are foreseen in the Democratic Governance Support Program, through delegated cooperation with IPAD. These actions will only be possible through an IPAD review of procedures.</p> |
| <p>33. To request the Embassies to regularly report to IPAD on the main developments and joint working opportunities under the provisions of the EU Code of Conduct .</p> | <p>In Progress</p> | <p>So far, IPAD have not requested information from Embassies. The Embassies do not provide regular information to IPAD on this subject, with the exception of Mozambique which provides information when attending meetings of EU donors Task Force which was set up in order to implement the EU Code of Conduct in Mozambique and in which Portugal participates.</p> |

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| <p>34. To participate in international meetings on the division of labour and complementarity in various fora, including the Aid Effectiveness Working Group, OECD/DAC.</p> | <p>In Progress</p> | <p>Portuguese Cooperation participates in international meetings and negotiations, both within the European Union and the OECD/DAC, such as: i) informal meetings of Development Ministers of European Union; ii) EU meetings of General Affairs Councils and Foreign Affairs Councils iii) OECD/DAC Aid Effectiveness Working Group, among others.</p> |
| <p>35. To participate in delegated cooperation mechanisms, including through European Commission (EC) delegation in the Portuguese Cooperation.</p> | <p>2009 (decision made in July 2009) Implementation in 2010</p> | <p>As described above, Portugal has already initiated a delegated cooperation process in Mozambique (Institutional Support to Internal Affairs Ministry Cooperation) and others are being prepared in Cape Verde and East Timor. In November, 2010, the EU Annual Action Programme for East Timor, amounting to 39 million euro was approved. The IV Rural Development Programme establishes an action implemented through delegated cooperation with GTZ and IPAD. The Support to Democratic Governance Program also provides for delegated cooperation actions with IPAD, on issues of justice and <i>media</i>.</p> |

3.1.5. Mutual Accountability

| Action | Goal | Accomplishment |
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| <p>36. To provide regular information on annual commitments and disbursements, and on sectoral aid allocation to partner's institutions in order to increase transparency.</p> | <p>In Progress</p> | <p>Under the scope of accountability to partner countries, Portugal provides information on all its annual commitments and disbursements on a regular basis and whenever requested. This is shown by: i) updating the ODAmoz database (Official Development Assistance to Mozambique) with information on disbursements made to Mozambique; ii) providing information to East-Timor authorities on the ongoing projects in order to prepare its Combined Sources Budget; iii) sending information to Angola to update the matrix of EU donors at bilateral cooperation level (DA), where priority areas of intervention and projects are identified. This information is updated on the IPAD website.</p> |
| <p>37. To ensure that, in the multi-annual programming with each partner, the availability of the financial resources is clearly identified for a period of 3-5 years.</p> | <p>In Progress</p> | <p>When preparing the PIC (3 to 5 years, depending on the recipient countries) the financial resources are indicated for the implementation period of each one. Where large projects are concerned, the planning has already established a multi-annual basis, in a Protocol. Portuguese Cooperation also guarantees a multi-annual programming (PIC) established with the partner country and harmonised according to the time-frame of its Development Strategy in order to allow the partner to be informed on the aid flows that will be available in order to be taken into account in preparing the respective State Budget. Some of the information has, to date, and for several reasons (namely because some partner countries do not accept it) been excluded from the PIC, such as information funding line on the DNGO as well as information on the multilateral contributions. IPAD began a multi-annual data gathering exercise, with the aim of</p> |

including these activities in the PIC.

38. To ensure that conditions attached to the disbursement of foreign aid are based solely on the partner's development objectives and that they are fully transparent and public.

In Progress

Portuguese Cooperation does not impose specific conditions attached to disbursements, except conditions related to good and transparent use of funds by partners. In countries where Portugal is supporting the State Budget, Portugal participates in joint assessments of partners' performance, but does not impose conditions on the payment of this support.

3.1.6. Managing for Development Results

| Action | Goal | Accomplishment |
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| 39. To promote the capacity development of partners' institutions (statistics and auditing institutions, among others) in order to encourage the adoption by partners of management tools focused on results. | In Progress. | <p>This support is provided under PIC projects. Part of this support is aimed at training statistics and auditing institutions of partner countries. In addition to projects, Portugal contributes to the Statistics Common Fund in Mozambique.</p> <p>A cooperation agent was hired in East Timor to provide technical advice to the National Directorate of Statistics (NDS) in 2009 and 2010 with the aim of developing the capacities of the NDS human resources and systematising statistical data produced.</p> <p>Portugal has also shown concern developing partner countries assessment capacity. This is also clear from the involvement of experts in joint evaluations and capacity development through training, as shown in the case of the Cape Verdeans' participation in the mini IPDET in 2009.</p> |
| 40. To promote joint evaluations with partner countries and to promote the dissemination of results thereof. | In Progress | <p>In 2010, the Portuguese Cooperation carried out two joint evaluations with partner countries: Angola (PIC) and East Timor (PIC).</p> |
| 41. To participate jointly with the partner, in the assessment exercises of the Paris Declaration and Accra and to incorporate the results. | In 2010/11 | <p>This joint assessment has been undertaken with Mozambique and Cape Verde. Apart from these countries, in the next assessment exercise to be held in 2011, Guinea-Bissau, Sao Tome and Principe and East Timor will also participate.</p> <p>Portuguese Cooperation has also participated at the DAC Evaluation Network level in the work of joint evaluation under the Paris Declaration. Upon completion of the process (2011) there will be a wide dissemination of the results achieved.</p> |

3.1.7. Fragile States

| Action | Goal | Accomplishment |
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| 42. To direct assistance toward capacity development of the partners' institutions and systems in Fragile Situations. | In Progress | As mentioned, most of the Portuguese Cooperation's main partners are Fragile States (Portuguese Speaking African Countries and East Timor with the exception of Cape Verde and Mozambique) and for that reason Portuguese Cooperation's main concern, reflected in the PIC, is to develop capacities of the systems and institutions of these countries. |
| 43. To promote human resources development, according to the country's needs, by providing scholarships, including higher education scholarships, local vocational training, among others. | In Progress | Portuguese Cooperation started implementing, in the 2009/2010 school year, a new regulation in scholarship awards. This regulation seeks to lower progressively the number of university grants in Portugal, in favour of awarding grants in the partner countries, taking into account respective local circumstances. In terms of scholarships in Portugal, priority has been given to master's degree and PhD scholarships, with the aim of strengthening higher education institutions in partner countries, particularly in terms of institutional capacity development and training of university teachers. |
| 44. To promote continuity between delivery of humanitarian and recovery aid and development cooperation activities. | In Progress | Portuguese Cooperation participates in international dialogues and negotiations on Humanitarian Aid at European Union level. In 2010, no actions of this nature were implemented. In 2009 Portugal adopted a National Strategy on Security and Development (RCM No. 72/2009) with the aim of promoting a more effective use of diplomatic, development, humanitarian aid and security instruments to prevent and solve fragile situations, which sustains the importance of articulating objectives, participants and activities in these areas. This Strategy establishes, among other actions, the setting up of mechanisms for regular inter-ministerial coordination, and is being implemented. |
| 45. To implement National Plans/Strategies in areas that promote a better performance of the Portuguese Cooperation in these States, such as Security and Development National Strategies, women in war situations, peace and security, among others. | In Progress | Portuguese Cooperation has developed six cooperation strategies: 4 are sectoral (Education, Health, Environment and Rural Development) and 2 are transversal (Gender and Good Governance, Participation and Democracy). These documents seek to guide the Portuguese Cooperation activities in these areas, according to the general needs of its major partners, both bilateral and multilateral. Gender and Good Governance Strategies are still being reviewed, after an initial version developed in 2007. Furthermore, as stated above, the National Strategy on Security and Development was drawn up in 2009. At its origin was the work developed under the Portuguese Presidency of the European Union (EU) in 2007, where the Council Conclusions on the EU response to Fragile Situations and on <i>Security and Development Nexus</i> were adopted. Once approved, the various National Strategies will always be taken into account in the drafting of PIC. Under the National Strategy on Security and Development, the Security and Development Action Plan for East Timor 2010 is being prepared. This action plan seeks to "promote greater consistency and coordination of Portuguese intervention in global foreign action in terms of security and development". This Plan should profit from efforts made, with the aim of making the Portuguese Cooperation interventions more effective and efficient. Portugal collaborated in the preparation of the Guinea-Bissau Security Plan, and will base its intervention on the strategy to be approved. |

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| | | Attention should also be drawn to the drafting of the National Action Plan for the Implementation of the United Nations Security Council Resolution 1325 on Women, Peace and Security. |
| 46. To guarantee the implementation of "Principles for an Effective Aid in Fragile States", particularly through support of activities which address the capacity development of the State and of other institutions as well as peace and security keeping activities. | In Progress | <p>Actions complying with these principles were included in the new PIC through activities which address the capacity development of the State and other institutions as well as internal security maintenance activities.</p> <p>In Guinea-Bissau, for instance, a major investment in the security sector by strengthening support to police forces and the justice department has been made. Since 2005 Portugal has participated as a facilitator country for Guinea-Bissau in DAC/OECD exercise, aiming initially to identify Principles for Good Intervention in Fragile States, based on a long-term perspective of support, enabling greater aid effectiveness to capacity development in these countries.</p> <p>Capacity development activities of local authorities are funded under the Annual Funding Line for NGOs development projects, in sectors defined in the Indicative Cooperation Programmes (PIC) as priority sectors.</p> <p>In 2011, along with the aid effectiveness questionnaire, Portugal will participate in the OECD questionnaire on Fragile States.</p> |
| 47. To promote the adoption of EU Conflict and Fragility Action Plan. | In Progress | Portugal has been lobbying at European level (on a formal and informal basis) for the adoption of the "EU Fragility and Conflict Action Plan," the definition and adoption of which has been delayed since 2009, largely due to institutional uncertainties brought about by the coming into effect of the Lisbon Treaty. |

3.1.8. Incentives

| Action | Goal | Accomplishment |
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| 48. To promote communication/debate on efficiency issues through internal training sessions and public debates. | In Progress | <p>Training on result-oriented management and, in 2009, an assessment was conducted, bearing in mind the need to increase aid effectiveness.</p> <p>Two internal training sessions also took place in IPAD (partnership between Planning and Programming Division and the European and Multilateral Affairs Department) on the effectiveness issue and on the results of questionnaires on Aid Effectiveness.</p> |
| 49. To promote communication/dissemination to the embassies and to various participants in development cooperation on effectiveness issues. | In Progress | <p>Portuguese Cooperation disseminates information to the Embassies accredited in priority countries (Portuguese Speaking African Countries and East Timor) on the international commitments made under the Effectiveness Agenda, as well as on the operational recommendations for its implementation, defined mainly by the European Union.</p> <p>Regarding the Aid Effectiveness Questionnaire, the latter is filled out by IPAD in close coordination with the Embassies in partner countries.</p> <p>All mission reports on meetings with IPAD participation related to Aid Effectiveness, are available on the IPAD intranet and the Embassies may access them using their respective password.</p> |

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| | <p>Since 2008, Portugal has also promoted on an annual basis, the Development Days event, inspired by the European Development Days event sponsored by the European Commission, which is a moment of reflection, promotion and debate between various cooperation participants at national level on several topics, including aid effectiveness. At the same time, it increases awareness of Portuguese public opinion on issues of development cooperation. To this aim, conferences, seminars, exhibitions and cultural activities take place, which include the participation of institutions and civil society national organizations, from DNGOs, to Foundations, to social responsibility business associations and to municipalities, among others.</p> |
| <p>50. To promote the IPAD website updating with information on the issue. To inform on major work also undertaken by international organisations.</p> | <p>In Progress</p> <p>IPAD updates varied information on Aid Effectiveness on its website. There is a dedicated tab for this purpose.</p> <p>In terms of accountability, all evaluation reports are placed online in the IPAD page. In the Annual Report of the Evaluation and Internal Auditing Office a critical assessment of the results of all evaluations is carried out. Contradictory sheets and follow-up evaluations attached to the document are also exhibited, in order to show the degree to which evaluation recommendations were incorporated.</p> |
| <p>51. To promote training, namely: in result-based management; in cooperation (DECODE /Specialization Diploma on Aid Development); in monitoring, assessment and development interventions (Mini IPDET).</p> | <p>In Progress (mini-IPDET still to be held in 2009, in 2010 beginning of training focused on results).</p> <p>In 2009, four IPAD workers attended DECODE (21st May to 3rd June, 2009). "Mini IPDET" sessions took place from 2-6 November, 2009, resulting from an INA/IPAD partnership. These sessions were attended by 13 IPAD workers and 2 Cape Verdeans (these were conducted by the World Bank - European Commission). Two more training sessions under "Delegated Cooperation" (19/11/2009) and a seminar on "Grants" (20/11/2009) were held.</p> <p>In 2010, three IPAD collaborators attended DECODE. Relating still to specific training, two workshops were held - "Project Cycle Management", which took place in two editions and was prepared by Europe Aid (8-10 March; 31st May to 3rd June) and "Result-based monitoring and Evaluation System" (World Bank), which took place on 15-17 November, 2010. With the exception of DECODE, the activities mentioned were the result of successful work in the Evaluation areas (Evaluations and Internal Auditing Office), European Affairs and Geographical Coordination I and Civil Society Support Division.</p> |
| <p>52. To increase embassy human resources in order to allow more efficient monitoring on aid effectiveness initiatives.</p> | <p>In Progress</p> <p>Portuguese Cooperation has a total of 14 officers (attachés, advisers, sectoral cooperation experts) working in the Embassies in Luanda, Praia, Bissau, Maputo, S. Tome and Dili.</p> |
| <p>53. To promote training of Embassy human resources and to promote behaviour that is in line with the Paris principles.</p> | <p>In Progress</p> <p>In 2009, the Portuguese Cooperation held a training session directed mainly at IPAD human resources and embassies accredited in Portuguese Speaking African Countries and East Timor, on Delegated Cooperation - Seminar on Fund Management of external aid of the European Commission in Delegated Cooperation mode.</p> <p>In November 2009, a Seminar on "Subventions" was also held.</p> |

3.1.9. Monitoring

| Action | Goal | Accomplishment |
|---|------------------|---|
| 9.1 To evaluate on a regular basis the progress made in implementing this Plan through a Progress Report. | In 2010 and 2011 | This Progress Report complies with this action in 2010. |
| 9.2 To participate in the next OECD/DAC survey on the progress made in implementing the 12 Paris indicators. | In 2011 | Portuguese Cooperation is already preparing its participation in this questionnaire and has already been in touch with the Embassies of the participating partner countries (Cape Verde, Guinea-Bissau, Mozambique, Sao Tome and Principe and East Timor) in order to coordinate information gathering and responses. |