

COOPERAÇÃO  
PORTUGUESA

**IPAD** Instituto Português  
de Apoio ao Desenvolvimento

**PROGRESS REPORT  
2008**

**AID EFFECTIVENESS**



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- *Contacts:* Av. da Liberdade, 192, 1º, 1250-147 Lisbon | Portugal  
Tel: (351) 21 317 67 00

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## 1. Introduction

As a result of the Paris Declaration on Aid Effectiveness (2<sup>nd</sup> High Level Forum on Aid Effectiveness, 28 February - 02 March 2005), bilateral donors, multilateral organisations and partner countries pledged to prepare “Action Plans” with a view to implementing the Declaration.

As a signatory of the Declaration, Portugal presented a document entitled “Portugal’s Action Plan for Aid Effectiveness” (June 2006), which identified 33 measures to promote more effective aid.

Simultaneously, the EU also prepared its Action Plan (*EU Aid: Delivering More, Better and Faster*), which formulated 9 commitments or “deliverables” to be implemented up to 2010 by the Commission and Member-States. Two of these commitments were presented in further detail in two specific communications - the Communication on Financing for Development and Aid Effectiveness and the Communication on a Joint Programming Framework. These three documents constitute the “Aid Effectiveness Package” presented by the EU.

Two years after Portuguese Cooperation presented its “Action Plan”, it is now opportune to present a **Progress Report** about the implementation of the 33 measures outlined in “Portugal’s Action Plan for Aid Effectiveness” and the 9 deliverables to which Portugal committed as an EU Member-State. This report analyses the period between June 2006 and June 2008.

The report will be available on the IPAD website in Portuguese and in English and will be sent to the main stakeholders in Portuguese Development Cooperation and international organisations, especially to the DAC/OECD and the EU.

## 2. Brief Summary

The summary presented here seeks to record the main developments that have taken place in terms of Portuguese Cooperation at two levels: the implementation of the 33 measures identified in the ““Action Plan for Aid Effectiveness” and the main contributions towards the 9 commitments (9 deliverables) contained in the “EU Action Plan for Aid Effectiveness”.

A detailed analysis about the level of progress made in implementing the 33 measures and 9 EU commitments is provided in the following chapter.

### 2.1. The implementation of the 33 Measures of the “Action Plan for Aid Effectiveness”

Any analysis of the degree of implementation of the 33 measures identified in the Portuguese “Action Plan for Aid Effectiveness” entails, at the outset, a need to characterise the type of cooperation relations that Portugal maintains with its partner countries. In most cases, these are countries that have fragile institutional and governing structures, with serious constraints at the level of their “capacities” both in terms of administrative capacities as well as the management (and leadership) of their own development. In this context, the Portuguese approach to the Paris Declaration has perforce had to “adapt” to these situations of fragility and, sometimes, even of conflict.

It is precisely for this reason that, when referring to support for capacity building to ensure **ownership** on the part of these countries, we refer to the consolidation of the Rule of Law, the effective functioning of institutions and the stability, responsibility and commitment of these countries to further their development.

It is also due to these particular contexts that with regard to **alignment**, Portuguese Cooperation likewise “aligns in a different manner”. This means that it aligns with the partner countries’ Poverty Reduction Strategy Papers (PRSP) or similar frameworks. When a greater degree of alignment with country systems is not possible, it at least ensures that its projects/programmes are consistent with the functioning and organisation of the partner (their procedures, processes and practices).

Although this is clearly one of the dimensions where the greatest constraints exist, it is also important to mention that significant progress has been made in this area, such as: the adoption of aid modalities that, by definition, use country systems, e.g. “general budget support” and “sectorial budget support”, and the timely identification of projects and the respective funds that can be included in the State Budget, such as in the case of Mozambique.

This is also one of the reasons why Portuguese Cooperation has centred its activities on “capacity building” at the level of individuals and institutions. This capacity building is, in fact, considered to be a crucial aspect for the development of partner countries and the resulting capacity for ownership to further promote development.

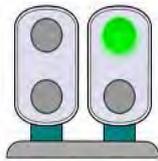
With regard to **harmonisation** (donor-donor), it is clear that Portuguese Cooperation has proceeded to simplify and harmonise practices and procedures for the concession of development aid and has participated in a greater number of aid exercises with other donors.

In the field of **managing for results**, new internal norms and procedures were adopted that enabled qualitative improvements in terms of information about the “project”, which has resulted in a better monitoring of the implementation of projects. Developments have also taken place with regard to the articulation between the headquarters, the cooperation services of Embassies and project partners. Noteworthy progress has also been made in the area of an “evaluation culture” and the incorporation of the results of these evaluations in subsequent interventions.

In terms of **mutual accountability** it is important to note the attention that has been paid to regularly providing partners with comprehensive information about aid flows, and the rendering of accounts in the field of cooperation, by means of participation in national and international monitoring exercises.

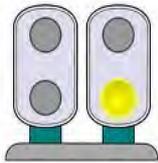
The data that has been compiled indicates that the final outcome is positive. In a context of 33 measures, 20 measures recorded clear progress, which represents a positive balance of 61%, while, despite recording some progress, 13 measures (39%) still require further development.

The Measures that recorded clear progress are as follows:



Measures: **1, 2, 3,5,10,11,15,  
16,19,21,22,23,25,27,28,29,30,31,32,33.**

The Measures that recorded some progress but which still need to be developed further are:



Measures: **4,6, 7, 8, 9,12, 13,14,17,18,20,24,26.**

## **2.2. The main contributions to the 9 Deliverables of the “EU Action Plan”**

Portuguese Cooperation has clearly contributed its share towards realising the 9 “deliverables” outlined by the EU. Some of these commitments are even enshrined in the 33 measures of Portugal’s Action Plan for Aid Effectiveness.

In terms of implementing these commitments, it is possible to conclude that the greatest difficulties have to do with Deliverable 4 - Joint Multi-annual Programming Framework. Even though Portuguese Cooperation has adopted a “Joint Framework”, there are still some constraints as to the possibility of future joint programming with other donors.

## 3. Report

### 3.1. The implementation of the 33 Measures of “Portugal’s Action Plan for Aid Effectiveness”

This first part of the report identifies the main progress and constraints with regard to the implementation of each one of the 33 measures outlined in “Portugal’s Action Plan for Aid Effectiveness”.

This analysis follows the structure presented in this “Plan” and is distributed according to the main aspects of the Paris Declaration: Ownership, Alignment, Harmonisation, Managing for Results and Mutual Accountability.

#### 1. OWNERSHIP

**Measure 1:** To respect the leadership of partner Governments and ensure, from the outset, that the objective of aid programming is to reinforce **local capacities** for this purpose.

**Timeframe:** Continuous implementation.

The objective of development aid provided by Portuguese Cooperation is to promote local capacity building in partner countries. This objective is a result of the fact that some of these countries are considered to be States in “situation of fragility” and, as such, have weak national institutions and systems. This fact has ensured that capacity building is essentially promoted by means of support in key State areas, such as Education, Health, Justice and Security.

The cooperation programmes with each one of the partner countries (Indicative Cooperation Programmes - PICs) reflect this concern by highlighting these areas as a priority, while naturally adapting the projects/programmes to the context and local needs of each partner.

This support to develop these “capacities” is, in fact, considered to be an essential prerequisite for the partners’ capacity to own the means for their development.

## 2. ALIGNMENT

**Measure 2:** To align aid programming with the Poverty Reduction Strategy Papers (PRSP) of partner countries or similar frameworks.

**Timeframe:** Continuous implementation.

Portuguese Cooperation Programming is aligned with the Poverty Reduction Strategy Papers (PRSP) of partner countries. This is an alignment with the development priorities identified by partners in each of their PRSPs as well as with the period during which each of these national strategies is in effect (3 or 4 years, depending on the PRSP schedule).

**Measure 3:** To review the portfolio of projects/programmes in subsequent programming cycles.

**Timeframe:** October 2006 (PIC - Angola, Mozambique, Timor-Leste); October 2007 (PIC - Cape Verde, Guinea-Bissau and S. Tome and Principe).

Efforts have been made to revise the portfolio of projects/programmes while preparing new Indicative Cooperation Programmes (PIC) with each partner country. This process resulted in a greater geographical and sectorial concentration, with a view to maximising the effects of intervention in accordance with the requests and priorities of partner countries.

It is important to note that the 2007-2009 Indicative Cooperation Programme (PIC) for Mozambique clearly focused on the provinces of Maputo, Sofala and Nampula. In terms of sectorial concentration, the areas of institutional capacity building, sustainable development and poverty reduction, as well as developing the cluster on the Island of Mozambique, stand out. The analysis that was carried out also concluded that the interventions of Portuguese Cooperation in the field of "Health" were not resulting in added value for the sector and hence it was no longer considered to be a priority in the new programming cycle.

**Measure 4:** To identify in subsequent programming cycles partner programmes that require capacity building, so as to ensure that Portugal channels its aid through these local programmes (e.g. programmes to strengthen the public sector, statistics, finances, education, and others).

**Timeframe:** October 2006 (PIC - Angola, Mozambique, Timor-Leste); October 2007 (PIC - Cape Verde, Guinea-Bissau and S. Tome and Principe).

Intervention by Portuguese Cooperation has basically been maintained at the level of bilateral projects, which are in conformance with the sectorial priorities expressed by partner countries in their national documents. However, there is still a great deal of work to be done with a view to ensuring that the measures are implemented by means of programmes formulated by partners.

**Measure 5:** To gradually opt for new aid modalities that promote partner country's leadership: budget support, sectorial budget support, a Sector Wide Approach (SWAP) for the areas of Education and Health, amongst others.

**Timeframe:** October 2006 (PIC - Angola, Mozambique, Timor-Leste); October 2007 (PIC - Cape Verde, Guinea-Bissau and S. Tome and Principe).

Technical Cooperation is also a significant component of Portuguese aid, although there is a perceived need to adopt new aid mechanisms. In effect, new aid modalities have been adopted in the most recent programming cycles of Portuguese Cooperation and "General Budget Support" stands out in this regard. This support had already been granted to Mozambique and Timor-Leste and has now been implemented as an aid instrument in Cape Verde within the framework of the PIC that was signed with this country. Likewise, "Sectorial Budget Support" has now been implemented in Mozambique.

In particular, it must be noted that in Mozambique "General Budget Support" (GBS) is provided in the context of the G19 and "Sectorial Budget Support" was begun in 2008, when Portugal joined the FASE<sup>1</sup> (Fund to Support the Education Sector) initiative. In Timor-Leste, "General Budget Support" is provided by means of the Consolidation Support Programme (CSP) of the World Bank.

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<sup>1</sup> This is a SWAP for Education.

**Measure 6:** To gradually channel aid through the national budget of partner countries (through budget) in order to foment the use of partner's financial management procedures.

**Timeframe:** October 2006 (PIC - Angola, Mozambique, Timor-Leste); October 2007 (PIC - Cape Verde, Guinea-Bissau and S. Tome and Principe).

As has been mentioned, the majority of Portuguese aid is not channelled through the national budgets of partner countries (through budget), with the exception of "General Budget Support" and "Sectorial Budget Support", which, by their very nature, use the State Budget. This situation is due, above all, to the fact that the mechanisms of our partner Governments have not yet been perfectly consolidated and technical cooperation is the preferred instrument.

Portuguese Cooperation also recognises the importance of aid flows being included, whenever possible, in state budgets (on budget) to ensure the necessary predictability of aid for our partners. In this regard, an exercise was carried out in 2008 to identify projects, and the respective funds, that could be included in Mozambique's State Budget. This information was given to the Mozambican authorities in order to include them in Mozambique's State Budget for 2009. The same procedure will be adopted with other partner countries, whenever possible.

**Measure 7:** To adopt a multi-annual financial envelope while preparing the PICs, so as to ensure better predictability of aid. This financial envelope should reflect firm payment commitments and not merely be indicative.

**Timeframe:** October 2006 (PIC - Angola, Mozambique, Timor-Leste); October 2007 (PIC - Cape Verde, Guinea-Bissau and S. Tome and Principe).

The current PICs have identified multi-annual financial envelopes in accordance with the period during which the PRSPs are in effect. However, these financial envelopes are still only indicative and sometimes do not always totally correspond to the funds provided, which can be noted as a constraint and an aspect that needs to be improved.

Some aid has been provided that was not previously scheduled in PICs. Recognising this fact, an exercise to identify this extra-PIC aid was carried out in 2008 so that this aid can be included in the PICs in future programming cycles.

On the other hand, it was also evident that aid predictability does not merely entail a multi-annual programme but also consists of identifying and including it in the State

Budgets of partner countries for subsequent years. Therefore, as has been mentioned in Measure 6, this exercise has already been begun with the Mozambican authorities.

**Measure 8:** Untying bilateral aid with partner countries, in accordance with the DAC Recommendation on Untying Official Development Assistance to the LDCs.

**Timeframe:** Continuous implementation.

Portuguese Cooperation has implemented the DAC's Recommendation on Untying Official Development Assistance to the LDCs (Least Developed Countries). It has also joined the international consensus to eliminate the untying thresholds for activities covered by the Recommendation and agreed to the option of expanding the Recommendation's coverage to non-LDC HIPC (Highly Indebted Poor Countries).

There have, however, been some constraints in terms of international notifications (on the Bulletin Board of the DAC/OECD) about projects tenders, as well as with subsequent notifications (ex-post notifications) about the aid contracts that have been awarded in the meanwhile. This constraint was recently presented and discussed internally with a view to ensuring that the necessary information is provided with due regularity.

Portuguese Cooperation finances development projects by means of the attribution of subsidies. Executors can freely choose the acquisition of goods and services (procurement) as long as they fulfil prevailing legislation in the area (which transposes Directive No. 97/52/EC to the Portuguese juridical system). Thus, at a local and regional level, this modality is preferred whenever it is possible to follow the rules stipulated by legislation for the acquisition of goods and services. An exception has been made for long term Technical Assistance within the scope of projects for institutional capacity building in which specific legislation is applied.

**Measure 9:** To promote the progressive use of local structures and human resources (Integrated Project Implementation Units), instead of Parallel Implementation Units<sup>2</sup>.

**Timeframe:** Continuous implementation.

Portuguese Cooperation mainly uses Integrated Project Implementation Units, whereby responsibility for the management of projects is entrusted to local administrative

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<sup>2</sup> Parallel Implementation Units are all the support structures for projects/programmes, created by the donor, which function parallel to the partner country's institutions. They share the following characteristics: they are parallel units created by the donor and, in addition, in most cases, recruit human resources outside the partner country.

structures. In terms of using local human resources, there are still some exceptions. In the case of the “Programme to Support the Education System of Guinea-Bissau” (PASEG) and the “Programme to Support General Secondary and Professional Education” in S. Tome and Principe the coordinators are Portuguese. The objective is, however, to pass responsibility for the coordination of the project on to local coordinators.

**Measure 10:** To ensure flows of technical assistance to the areas that need capacity building. This external assistance must respect the principle of not substituting local human resources, whenever they exist.

**Timeframe:** Continuous implementation.

As mentioned above, Technical Cooperation (TC) is a particularly visible aspect of Portuguese Cooperation, given the dimensions of this “modality”. This is due to the advantages Portuguese Cooperation has in these countries on account of a common language and existing similarities in terms of State administrative systems. It is for precisely these reasons that partner countries themselves have requested this TC.

It is important to mention that Portuguese TC does not substitute existing local human resources. On the contrary, it seeks to reinforce capacities at the level of individuals and institutions in partner countries. This capacity building is strongly inclined towards education/training for local human resources. Especially noteworthy is the progress achieved by technical-police cooperation, which has integrated erstwhile trainees as trainers in the new courses.

Another important and innovative element of this capacity building for local human resources is support to projects that promote the decentralisation of aid (from the central to provincial level). This is the case with the capacity building for agents of civil society, at the heart of rural communities, in the areas of education, health/nutrition, agriculture and other income generating activities.

**Measure 11:** To reinforce training and local capacity building for partners, with a special emphasis on Fragile States, at the level of:

- Good Governance, Public Finances, Management and Public Administration;
- Preparing Sectorial Strategies for partners and promoting the management of their programmes and projects.

**Timeframe:** Continuous implementation.

Portuguese Cooperation is clearly aimed at the areas of education, training and capacity building for human resources and institutions.

Special support is given to these areas of reinforcement at the level of Public Management, Public Finances and Judicial Systems. This support includes, whenever requested, support for preparing the Strategy Papers of our partner Governments.

With regard to training at the level of public finances, the following elements are worthy of note: the signing of the PICATfin (Integrated Programme for Cooperation and Technical Assistance in Public Finances), with Angola, Cape Verde and S. Tome and Principe; the **Exchange Cooperation Agreement (ACC)** signed with Cape Verde whose Technical Accompaniment Unit (TAU) received technical support from Portuguese Cooperation. This support extended to the TAU proved to be essential for the good macroeconomic management of the country.

In the area of Good Governance, Portuguese intervention is aimed at the most diverse aspects of governance by means of specialised technical assistance and advice, whose objective is to support capacity building and training for the Public Administration and the Justice sector. It also envisages support for preparing structural legislation to consolidate the Rule of Law.

With regard to the Education sector, especially worthy of note is the support provided for capacity building in educational systems and for local human resources via the training of trainers, teachers and managerial and technical staff.

### 3. HARMONISATION

**Measure 12:** To identify programmes with partner countries at the level of aid programming where donors participate jointly. Thus, via a strategy of complementarity, Portuguese technical assistance can be integrated into common sectors of intervention (donor pools in given sectors, global and regional funds, amongst others).

**Timeframe:** Continuous implementation.

Portuguese Cooperation participates in joint exercises with other donors, including: “General Budget Support” in Mozambique; “General Budget Support” in Timor-Leste through the World Bank’s CSP; it is beginning to participate in the exercise of “Budget Support” in Cape Verde; support for the UNDP “Programme to Strengthen the Justice System in Timor-Leste”; participation in Global Funds such as the Global Fund for HIV/AIDS/Tuberculosis and Malaria; a partnership with UNESCO for the project to restore the fortress of São Sebastião on the Island of Mozambique, and a partnership with the UNDP to create a Millennium Village in Lumbo (both projects are integrated into the geographic area of the Island of Mozambique Cluster); and also the participation in the “Plan to Combat Drug Trafficking in Guinea-Bissau”.

It must be noted that within the scope of technical-police cooperation in Mozambique, there is a trilateral agreement between Mozambique, Portugal and the USA, where the USA provides funding and Portugal contributes the technical component.

**Measure 13:** To foment joint missions between the stakeholders of Portuguese Cooperation so as to harmonise efforts and reduce the administrative burden on the partner country. To this end, it is essential that IPAD be informed beforehand of the **mission calendar** of each body.

**Timeframe:** From 2007 onwards.

Progress has been made with regard to IPAD receiving prior information about the missions of other stakeholders to partner countries, although not all bodies have adopted this practice. In addition, whenever pertinent, IPAD’s human resources have participated in missions by other stakeholders.

**Measure 14:** Whenever possible, conjugate missions with other donors.

**Timeframe:** Continuous implementation.

Portuguese Cooperation has participated in missions with other donors, although this is still an exception rather than a rule. It is important to note that the recent EU mission to Guinea-Bissau to evaluate prevailing conditions to hold general elections and the eventual despatch of electoral observers included technical personnel from IPAD.

There has also been a greater participation in missions with other donors on the ground itself. For example, in Mozambique, within the scope of the G19, interventions by donors in certain areas have been monitored in the field via joint missions.

Likewise, in Cape Verde, Portuguese Cooperation has participated in and monitored projects both in terms of exercises for community coordination as well for budget support. In Cape Verde, Portugal has also participated in the “Transition Support Group”, which was created in the context of the Cape Verde’s graduation from the category of LDCs, and the group that was created locally to provide follow up for the Special Partnership between the EU and Cape Verde.

**Measure 15:** To avoid field missions in partner countries during the “free from donor missions” period.

**Timeframe:** Continuous implementation.

Portuguese Cooperation respects this “free from missions period” (quiet period). During this period donors do not meet with partner Governments and, at the level of working groups, very few meetings are held during this period and only occur between donors.

**Measure 16:** To structure subsequent cooperation programmes in accordance with the document prepared by Portuguese Cooperation entitled “Guidelines for PICs”, which will also facilitate harmonisation and participation in joint aid schemes.

**Timeframe:** October 2006 (PIC - Angola, Mozambique and Timor-Leste); October 2007 (Cape Verde, Guinea-Bissau and S. Tome and Principe).

The PICs were prepared in accordance with the EU “Common Framework for Country Strategy Papers”. In effect, based on this Common Framework, Portuguese Cooperation prepared the document entitled “Guidelines for PICs”, which enabled a

harmonisation with the programming documents prepared by the Commission and other Member-States who have adopted this Common Framework.

This adaptation of the PICs is, in fact, considered to be a “first step” towards greater progress in terms of a division of labour with European partners.

**Measure 17:** To harmonise the **Sectorial Documents** to be implemented by Portuguese Cooperation with programmes by other donors and with the strategic options of partner countries.

**Timeframe:** 2006 (Education, Gender, Good Governance); 2007 (Health, Rural Development, Environment).

Portuguese Cooperation has prepared a set of sectorial documents<sup>3</sup>: Health, Education, Environment and Rural Development. Two transversal documents were also prepared: Good Governance, Participation and Democracy; Gender.

These are general documents that seek to accommodate the options of the different Partners in a single document. The generalised nature of these documents hinders potential harmonisation with programmes by other donors.

**Measure 18:** To activate local delegations in the main partner countries, in order to intensify coordination between these delegations and the representatives of other donors.

**Timeframe:** From July 2006 onwards.

The structures of local representation have been reinforced in terms of the number of human resources: Mozambique has received 3 more technical staff; Timor a further 2; Guinea-Bissau an additional 1; and S. Tome and Principe maintained its status of 1. This reinforcement has enabled a better and closer monitoring of the projects as well as a greater participation in sectorial groups. There has also been some transfer of decision-making powers to these local representatives, albeit this is still at a very tentative stage.

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<sup>3</sup> These documents are awaiting approval.

**Measure 19:** To promote the creation of “clusters” in order to dynamise the integrated development of certain target regions, thus stimulating the participation of public and private entities, on the part of the donor, the partner country and other international donors.

**Timeframe:** From 2006 onwards.

The concept of the “Cluster” was introduced with the new Cooperation Strategy document entitled “A Strategic Vision for Portuguese Cooperation”.

However, this aspect has witnessed uneven development. In Mozambique the Cluster of the Island of Mozambique has been identified and concrete measures are being developed such as in the case of preparing the Masterplan for the Island of Mozambique, under the aegis of the African Development Bank.

In Cape Verde, the authorities are currently in the process of identifying a Cluster. Both parties have already agreed that it will be a thematic and not a geographic cluster. In Timor-Leste, it is expected that the cluster will be located in the districts of Ermera and Liquiçá. In Guinea-Bissau and in S. Tome and Principe, a technical proposal is being prepared that suggests that this aid modality should not be applied to these two small countries. In Angola, a comparative study about the regions is currently underway.

**Measure 20:** To create partnerships between institutions in partner countries and competent Portuguese companies, with the commencement of the SOFID initiative.

**Timeframe:** From 2006 onwards.

SOFID (Financial Society for Development) is still in an initial phase of operations. IPAD does not have a seat on the Executive Council of this new institution and therefore it can only realise inter-institutional work meetings. A first meeting has already been held concerning infrastructure projects.

**Measure 21:** To reinforce the **component of development cooperation within the CPLP space**, identifying partnerships and developing bilateral and multilateral projects with a view to **mobilising resources from international financing agencies.**

**Timeframe:** From July 2006 onwards.

During the two year period between 2006-2008, the framework of cooperation of the CPLP underwent important conceptual and methodological advances, which were accompanied by a significant level of progress in terms of activities developed under

the Indicative Cooperation Programme (PIC) for the CPLP. A new CPLP General Cooperation Strategy also came into effect, approved by the VI Conference of Heads of State and Government, while the PIC was harmonised with the Millennium Development Goals. Within the framework of the PIC, cooperation projects were developed whose total budget exceeded 3 million euros. The projects covered all sectors of cooperation activities of the CPLP, with a special emphasis on the area of training and institutional capacity building.

A Memorandum of Understanding was signed in November 2007 between the European Commission and the CPLP, which will provide the framework for institutional and political relations between the two entities, opening up excellent prospects for cooperation between the two organisations.

In the wake of the Resolution about the Indicative Regional Programme for the Portuguese-Speaking African Countries (PIR-PALOP), adopted by the XI Council of Ministers of the CPLP, in July 2006, the executive secretariat has taken steps to ensure its continued existence, within the framework of the X European Development Fund (EDF), which came into effect in 2008.

**Measure 22:** To circulate Strategy documents, projects and cooperation programmes and relevant studies, thus stimulating greater dialogue and sharing of information, both via IPAD's website as well as by using other existing websites such as Country Analytic Work on the World Bank's website, the DAC's Harmonisation website, the DEReC of the DAC's Evaluation Network or the website of the European Commission.

**Timeframe:** Continuous implementation.

Portuguese Cooperation in general and IPAD in particular have promoted a policy of extensively circulating strategic and operational cooperation documents. To this end, IPAD's website has been reformulated in order to endow it with comprehensive and updated information. The website contains strategic documents for different countries, information about projects and programmes, links to other relevant donors and links to institutions in partner countries, amongst other features. Outstanding projects have been showcased on international websites, as was the case with Portugal's Action Plan for Aid Effectiveness on the DAC's "Harmonisation" website; other information about Portuguese cooperation on the DAC's own website; information about aid flows in Mozambique on the ODAMOZ website, amongst others. The documents evaluating Portuguese cooperation (evaluation reports, executive summaries in English and

guiding documents) are sent to the DAC Evaluation Resource Centre (DEReC), in a spirit of sharing and mutual learning.

Likewise with a view to ensuring a greater circulation of information about Portuguese Cooperation initiatives, a prototype of IPAD's website in English has been submitted for approval.

**Measure 23:** Concentrate aid in **specific countries and sectors**, according to the specific characteristics of each partner, with a view to avoiding a vast geographical dispersion of human and financial resources and isolated projects.

**Timeframe:** Continuous implementation.

Applying the principle of concentrating on just a few countries has proved to be an asset for Portuguese Cooperation. In fact, in geographical terms, Portuguese Cooperation has concentrated on six partner countries that are considered to be a priority, i.e. Angola, Cape Verde, Guinea-Bissau, Mozambique, S. Tome and Principe and Timor-Leste. In sectorial terms, Portuguese Cooperation has developed its activities in the following areas: Good Governance, Participation and Democracy, Sustainable Development and Poverty Reduction and, especially, Education, Health, Rural Development and Economic Growth.

Once again, it must be noted that in the course of preparing the most recent PICs there has been a clear emphasis on reinforcing this concentration in each country: Angola – Capacity Building for the Public Administration and Education; Mozambique – Support for the State Administration, State Budget Support, Social and Community Development and Clusters; S. Tome and Principe – Health and Education; Timor-Leste - Education and Justice; Cape Verde – Education and Institutional Capacity Building; Guinea-Bissau – Education and Institutional Capacity Building.

**Measure 24:** To ensure, via existing formal mechanisms (CIC), an extensive circulation of information about the programmes of partners, so as to promote technical assistance from various Cooperation stakeholders being channelled through these programmes.

**Timeframe:** Continuous implementation.

This measure is derived from the need to bring about greater coordination between the various stakeholders of Portuguese Cooperation. To this end, Portuguese Cooperation has a tool at its disposal - the CIC (Inter-Ministerial Committee for Cooperation). Sessions of the CIC have been held regularly and have enabled representatives of the

sectorial ministries to meet in order to exchange information about interventions, the preparation of Cooperation Programmes or to discuss specific Cooperation issues.

Thus, the CIC has proved to be an instrument that has facilitated greater coordination and maximised the use of existing resources.

**Measure 25:** Eliminate the PACs (Annual Cooperation Programmes). The implementation of annual PACs has associated disadvantages such as: annual rounds of negotiations, a bureaucratic overload, a loss of time for both parties and the risk of jeopardising programmes that are already underway.

**Timeframe:** October 2006 (PIC - Angola, Mozambique and Timor-Leste); October 2007 (Cape Verde, Guinea-Bissau and S. Tome and Principe).

The new PICs are single documents. The PACs (Annual Cooperation Plans) that annually implemented the PICs have been eliminated. The adoption of this measure has resulted in clear benefits: it avoids annual rounds of negotiations with partner countries and thus also avoids the additional administrative costs.

#### 4. MANAGING FOR RESULTS

**Measure 26:** Define **analytical and monitoring instruments, namely, progress indicators and result indicators** that enable an assessment of performances and the implementation of the measures outlined in the PICs.

**Timeframe:** From 2006 onwards.

In new PICs, prepared after 2006, a grid was included that defines the general and specific objectives and the respective indicators. However, the indicators that were presented have not been sufficiently consolidated so as to allow an objective analysis of the results. In this measure, the desired degree of performance evaluation and the implementation of the measures envisaged in the PICs have not yet been achieved.

**Measure 27:** To reinforce the phase of accompanying projects, through the **systematic monitoring of the implementation** of development projects at the headquarters - by analysing the implementation reports - and in the field - by reinforcing the technical staff stationed at Embassies, who are entrusted with monitoring *in loco* the implementation of projects and the timely identification and correction of any eventual constraints for the said projects.

**Timeframe:** From 2006 onwards.

As has been mentioned above, the number of human resources deployed in the field has been reinforced, which has enabled a better monitoring of the cooperation programmes/projects (a greater participation in local meetings, a better accompaniment of the implementation of projects/programmes).

At the level of the headquarters, the approval of norms and procedures for the presentation of projects has enabled a qualitative improvement in information about the “project”. This has translated into a better monitoring of the implementation of projects and regular information being provided by the respective executors about their development. Efforts are being made to bring about improvements in the articulation between the headquarters, the cooperation services of Embassies and the project partners.

**Measure 28:** To adopt, at the level of evaluation, the results of joint evaluations and/or evaluations conducted by other donors.

**Timeframe:** From 2007 onwards.

At the level of evaluation, clear progress was achieved in terms of the “evaluation culture”. The PIC for S. Tome and Principe was evaluated in 2007 and in the case of Cape Verde the period corresponding to the last two PICs was evaluated. A document was prepared about the “Evaluation Policy” and an “Evaluation Guide” was concluded (which was also made available on the Internet). A “contradictory sheet” and a “follow-up sheet” for evaluations were prepared and adopted, so as to ensure that the recommendations and lessons learnt are incorporated into Cooperation interventions.

Also worthy of note is the fact that 8 workshops about the evaluations that have taken place or are underway were held: Cape Verde Cooperation - 3; S. Tome and Principe - 4; Guinea-Bissau - 2. In addition, the following evaluation reports were disseminated: PIC Timor-Leste; “Health for All”; PIC S. Tome and Principe; Cooperation with Cape Verde, and intervention in the Education sector in Guinea-Bissau.

As for joint evaluations, Portugal has participated in the evaluation of General Budget Support, within the framework of the DAC, and in the evaluation of the 3Cs in the context of the EU. The recommendations of the evaluation of Budget Support were widely circulated and have been taken into consideration in Portugal's approach to budget support for Mozambique, Timor-Leste and Cape Verde. The results of the 3C evaluation are particularly noteworthy in the context of the Portuguese Presidency of the EU during the second half of 2007.

With regard to evaluations by other donors, their results have not yet been systematically considered in Portugal's approach to cooperation, owing to the specific nature of Portuguese cooperation. However, both the Terms of Reference, as well as the methodological approach have been particularly important in the work to prepare the evaluations as well as during the process of carrying out these assessments.

It is also important to mention that, within the DAC framework, Portugal was the object of a Peer Review in 2006 and the resulting recommendations have been incorporated into Portuguese Cooperation.

**Measure 29:** To provide partner countries with systems for statistics and other systems so that they have personnel to evaluate performances in a transparent manner, who can be monitored and will thus enable an assessment of the progress that has been achieved.

**Timeframe:** Continuous implementation.

IPAD has increasingly focused on Statistics through the promotion of initiatives on various fronts. These include the "Statistics Programme for PALOP" (to be implemented simultaneously), whose overall objective is to support the process of modernising the National Statistics Systems and to promote the institutional reinforcement of the National Statistical Institutes in PALOP (INE-PALOP); the "Complementary Portuguese Project for the Project to Support the Development of the Statistical Systems of PALOP", whose objective is to promote the application of common methodologies in corresponding entities in the five PALOP; the "CPLP Statistical Project", which seeks to develop statistics that support the main areas of development within the CPLP and are simultaneously priorities for the International Agenda: Education, Migration and Gender, where priority has been given to Statistics about Education; and the annual Meetings of the Directors-General of the National Statistical Institutes (DGINEs), which have become a privileged forum for evaluation

and common decision making about the principal cooperation guidelines for Lusophone statistics both at a bilateral level as well as at the level of common projects (financed by the then Fund for Economic Cooperation (FCE), the EU, the then ICP and the Portuguese Trust Fund at UNDP), and as a nucleus for mutual knowledge and to exchange experiences.

**Measure 30:** To trust, as far as possible, in country systems so as to incorporate their indicators in the donor's programming.

**Timeframe:** Continuous Implementation.

The possibility of incorporating the indicators of partner countries in donor programming varies significantly from country to country. In the case of States with fragile structures, these indicators do not exist or are very unreliable. In the case of stronger governmental structures, such as in the context of Angola, Cape Verde and Mozambique, these indicators have been used. For example, economic data from the Bank of Mozambique was used to prepare the PIC for Mozambique.

## 5. MUTUAL ACCOUNTABILITY

**Measure 31:** To provide timely and detailed information about aid flows that will be available to partner countries. This measure will allow partners to present more accurate budgetary information to their citizens and parliaments.

**Timeframe:** Continuous implementation.

Information about aid flows is regularly sent to partner countries with all the details requested. For example, Portuguese Cooperation participates in ODAMOZ, an exercise for information and accountability for interventions by each donor in Mozambique, which serves as a lever for harmonising future interventions. As requested by ODAMOZ, the information about Portuguese development aid is sent with the requested details and according to the schedule that has been established. It is a crucial instrument for the Ministry of Planning and Finance in Maputo, since this is how they obtain the (qualitative and quantitative) information they need about donor activities. This has proved to be particularly important for their budgetary exercises.

Timor-Leste likewise requested information from its development partners with regard to the projects underway and projects that have been approved (but have not yet been developed), in order to prepare its Budget from Combined Sources for 2008 and 2009.

Portuguese Cooperation provided all the available information to the Timor-Leste authorities.

With regard to Cape Verde, this exercise is in the initial stages of being implemented within the framework of an EU coordination exercise in which each Member State provides a prior indication of its aid according to sectors.

**Measure 32:** To provide information about aid flows, whenever requested to do so.

**Timeframe:** Continuous implementation.

As has been mentioned above, this information is provided whenever requested by partner countries, e.g. the information that has been provided to ODAMOZ, in Mozambique, or to Timor-Leste for the purposes of its “Development Aid Record”. Portuguese Cooperation also provides/gives this information to international organisations.

**Measure 33:** To evaluate the progress that Portuguese Cooperation has achieved in implementing its partnership commitments.

**Timeframe:** Continuous implementation.

The objective of this “Progress Report” is precisely to take stock of the state of affairs with regard to fulfilling the partnership commitments that were signed on the occasion of the Paris Declaration.

Simultaneously, there are other activities aimed at monitoring these commitments. Especially worthy of note is the fact that Portuguese Cooperation participated in the “Paris Declaration Monitoring Survey”, in 2008. It has also carried out annual self-evaluations (Paris Declaration Donor Self-Assessments) and has provided comprehensive support to the successful realisation of the DAC Peer Review of Portuguese Cooperation, which evaluated the area of aid effectiveness. In addition to these initiatives, several other evaluations have been carried out by IPAD, as mentioned above, which have naturally assessed the performance of Portuguese Cooperation in terms of aid effectiveness.

### 3.2. The main contributions to the 9 Deliverables of the “EU Action Plan”

The second part of this report seeks to identify the contributions of Portuguese Cooperation towards realising the 9 commitments (9 deliverables) that the EU has identified in its “Action Plan for Aid Effectiveness” (*EU Aid: Delivering More, Better and Faster*).

#### Deliverable 1: The Preparation of the EU “Donor Atlas”

Portuguese Cooperation participates annually in the preparation of the EU “Donor Atlas”. To this end, information about the geographical and sectorial distribution of public development aid and Portugal’s “profile” as a donor (the organisation of the cooperation system and its main characteristics) is sent to the EU.

#### Deliverable 2: Monitoring Mechanisms

These monitoring mechanisms take place at two levels: monitoring the objectives and timeframes defined in Paris (including the four<sup>4</sup> additional commitments defined by the EU); and monitoring the EU deliverables, as a group, for aid effectiveness. The former, i.e. monitoring the objectives and timeframes defined in Paris, is carried out by the “Survey on Monitoring the Paris Declaration” implemented by the JVM (Joint Venture on Monitoring) of the OECD/DAC. Portuguese Cooperation participated in this monitoring exercise, in partnership with the Mozambican and Cape Verde authorities. The latter, i.e. monitoring the EU deliverables as a group of donors (EC+MS), is carried out by the “Follow-Up of Monterrey” questionnaire. Portuguese Cooperation also participates in this annual evaluation.

#### Deliverable 3: Roadmaps

The EU has defined some countrywise “Roadmaps”, with a particular emphasis on the “Roadmap for Harmonisation and Coordination” in Mozambique. One of the instruments of this “roadmap” translates into a Database for mapping donor aid in Mozambique (ODAMOZ).

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<sup>4</sup> 1. Provide all capacity building assistance through coordinated programmes with an increasing use of multi-donors arrangements; 2. to channel 50% of government-to-government assistance through country systems, including by increasing the percentage of our assistance provided through budget support or sector wide approaches; 3. to avoid the establishment of any new project implementation units; 4. to reduce the number of un-coordinated missions by 50%.

As has been mentioned above, Portuguese Cooperation participates in this exercise and regularly sends all the necessary information to the ODAMOZ system.

#### **Deliverable 4: Framework for Joint Multi-annual Programming**

This Framework for Joint Multi-annual Programming is based on the document entitled “European Union Common Framework for Country Strategy Papers”. As mentioned above, Portuguese Cooperation has adopted this document and produced the document entitled “Guidelines for PICs” to this effect. Thus, the new PICs have already been structured in accordance with this Common Framework. The objective of the EU is to ensure that this “common structure” enables joint programming between donors. However, there are still no examples of joint programming in the case of Portuguese Cooperation, as is also the case with most Member States.

#### **Deliverable 5: Division of Labour**

Portuguese Cooperation has adhered to the 11 principles outlined in the “EU Code of Conduct on Complementarity and Division of Labour”. It has been particularly involved in the implementation of the EU Code of Conduct on Complementarity and Division of Labour in terms of the Development Policy of Mozambique and of Guinea-Bissau.

#### **Deliverable 6: Co-financing of Activities by the European Commission**

This deliverable refers to the possibility of co-financing by the Commission, a field of action that until now has been limited by tight financial regulations (Cotonou Agreement). In this regard, it is especially important to highlight the cooperation project in the area of police services in Mozambique, which will receive co-financing from the Commission. The Commission will thus embark upon delegated cooperation to Portugal (which will be the coordinating country and fund manager). To this end, Portugal, via IPAD, has conveyed to the Commission its interest in participating in the process of Indirect Centralised Management and is currently awaiting the outcome of the respective process of “accreditation”. It is also worthy of note the project DIAS in Cape Verde (Diaspora for the Development of Cape Verde) which is co-financed by the Commission and the Portuguese Government.

### **Deliverable 7: Strengthening the “EU Vision”**

Portuguese Cooperation participated in the 1<sup>st</sup> edition of the “European Development Days” initiative, which was held in Brussels in 2006. One year later, during the Portuguese Presidency of the EU, Portugal hosted the event in Lisbon.

Given the importance of awareness for the development and promotion of the debate about this issue, Portuguese Cooperation decided to promote an annual edition of “Development Days” in Lisbon. The first edition of the event was held in June 2008.

### **Deliverable 8: Joint Agreements**

Portuguese Cooperation is open to the inclusion of joint agreements in subsequent PICs, to be begun in 2009.

### **Deliverable 9: The Preparation of EU *Compendia***

Portuguese Cooperation has participated in the preparation of various EU *compendia* about EU rules for development aid. Especially worthy of note is its participation in the tasks to prepare the “Code of Conduct on Complementarity and Division of Labour”. Simultaneously, it has also participated in other notable tasks such as the “European Consensus on Development”.