

Additional information: Results from survey of DFID country teams

We surveyed all 25 DFID country offices covered in the Department's Public Service Agreement targets. In 2005/06 these countries accounted for 99.7 percent of DFID's budget support expenditure and 71 percent of all DFID bilateral aid¹.

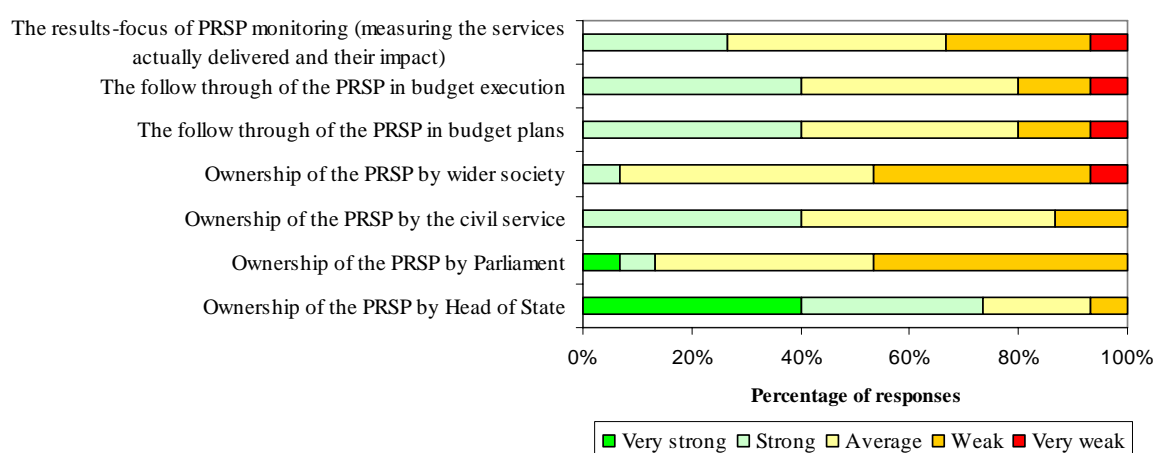
We received responses from all 25 offices. This annex summarises the responses. For many questions, we compared responses of those 15 countries which use some budget support with the 10 that do not. We have classified these as 'budget support' and 'non-budget support' countries in the tables below. In some cases, we only asked certain questions of countries which provide budget support.

¹ Statistics on International Development, DFID

Quality of and commitment to the poverty reduction strategy

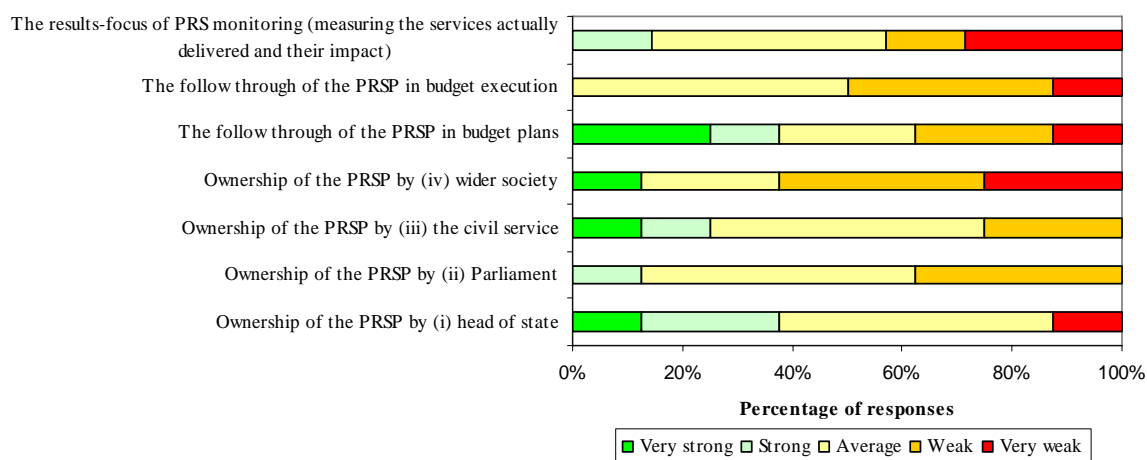
Poverty Reduction Strategy Papers (referred to as PRSPs in the tables below) are nationally developed strategies around which donors can coordinate their development assistance. For budget support, countries' governments are supposed to demonstrate commitment to poverty reduction, and this is often assessed through the Poverty Reduction Strategy. We asked DFID country offices to rate the perceived 'ownership' of these strategies (or equivalent national strategies) by different stakeholders as well as the follow up of these strategies in the budget and in monitoring.

Budget support countries



Within the 15 budget support countries, three DFID offices consistently rated their country weak or very weak on the above criteria.

Non-budget support countries



NB: There were only seven out of ten possible responses to the 'The results-focus of Poverty Reduction Strategy monitoring' question as Afghanistan, Zambia and China did not submit ratings on this

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question and only eight responses to all other questions as Zimbabwe and China did not submit any ratings.

Within non-budget support countries, one DFID office consistently rated its country as weak or very weak on the above criteria.

Partner government spending through civil society organisations

Country offices often did not know how much of the government's resources were channelled through civil society or thought it was negligible.

	Share of budget support channelled onwards through civil society				
	5% or more	Between 1%-5%	Less than 1%	Negligible, but not known exactly	Unknown
Number of DFID offices providing budget support (out of 15)	1	2	1	4	7
Number of DFID offices not using budget support (out of 10)	1	1	3	1	4

Staff resources

We asked staff to assess how much time they spent on setting up and managing budget support.

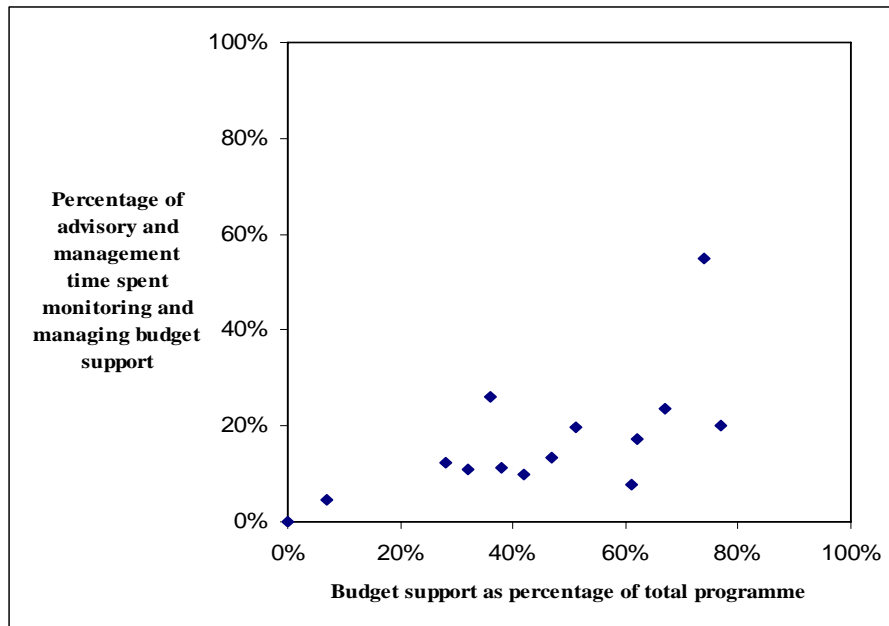
Average percentage of advisory cadres' time spent on budget support

	Average number of staff per country office	Average percentage of time setting up budget support	Average percentage of time managing / monitoring budget support	Average percentage of time managing complementary inputs
Governance and conflict advisors	2.54	13%	16%	13%
Economics advisors	1.83	23%	23%	12%
Social development advisors	1.68	9%	13%	19%
Health advisors	1.38	23%	28%	11%
Head of office	1.00	12%	12%	5%
Deputy head of office	1.00	6%	3%	3%
Education advisors	0.84	19%	20%	13%
Livelihood advisors	0.75	1%	0%	1%
Infrastructure advisors	0.68	2%	9%	6%
Enterprise advisors	0.57	5%	7%	7%
Statistics advisors	0.23	3%	9%	14%
Environment advisors	0.23	0%	0%	1%
Other advisors	0.20	2%	9%	4%

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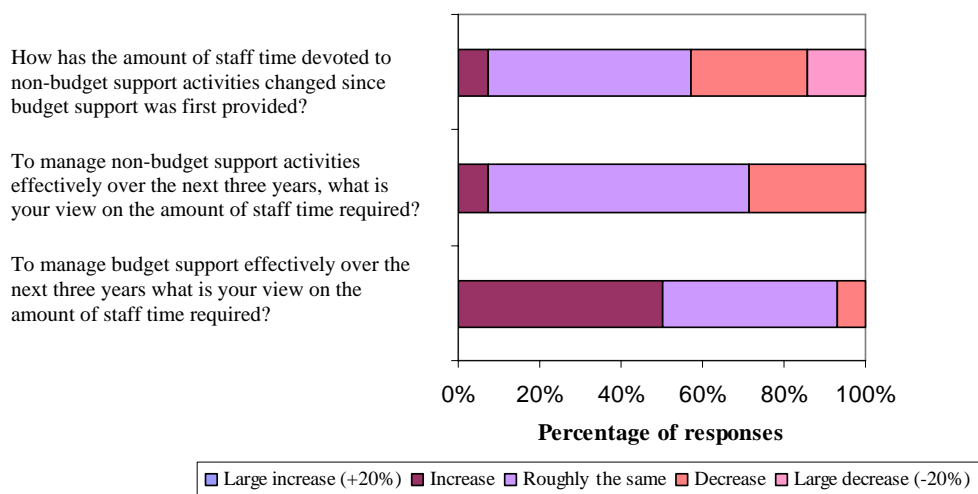
The results show marked differences between different groups of staff. Health, education, economics and governance advisors spend the most time on budget support. Statistics, infrastructure, livelihoods and environment advisors spend much less time on budget support. These trends are exacerbated because there tend to be larger numbers of staff in the first group of advisors than the second.

Staff time monitoring budget support compared to proportion of spending through budget support



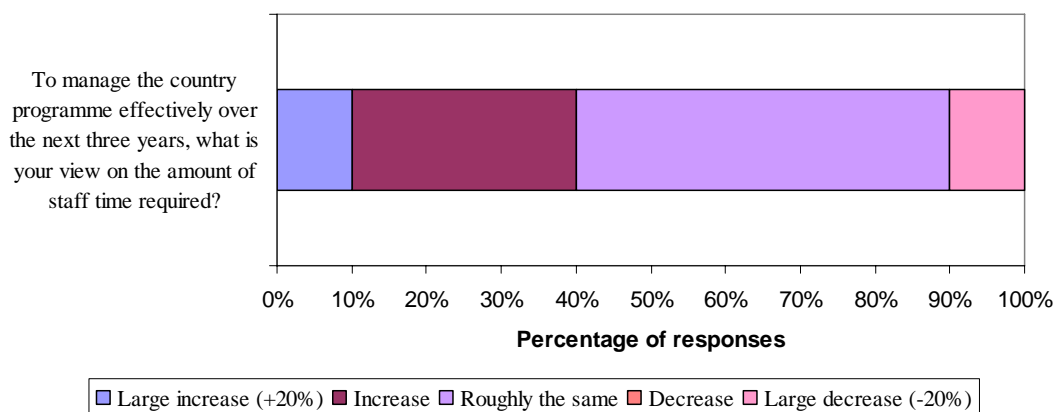
Many country offices believe they need a modest increase in staff resources to manage their programmes over the next three years. Budget support countries will continue shifting staff resources towards managing budget support:

Budget support countries



N.B. Excludes Ethiopia

Non-budget support countries



Most country offices surveyed felt they spent too little time in meetings with local government or visiting poor areas to identify on the ground experiences. In contrast many said they spent too much time in meetings with other donors. This trend was similar for budget support and non-budget support countries.

DFID staff views on how their time is spent

	All 25 Public Service Agreement countries		15 budget support countries (including Ethiopia)		10 non-budget support countries	
	Too little/far too little	Too much/far too much	Too little/far too little	Too much/far too much	Too little/far too little	Too much/far too much
...in meetings with other donors	0	10	0	7	0	3
...in meetings with central government	9	0	4	0	5	0
...in meetings with local government	17	0	10	0	7	0
...visiting poor areas to identify on the ground experiences	17	0	11	0	6	0

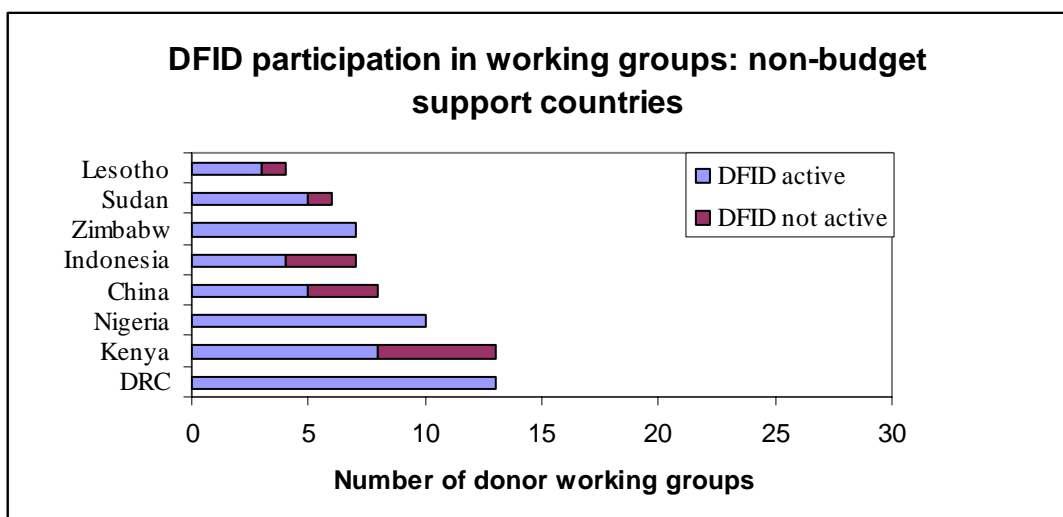
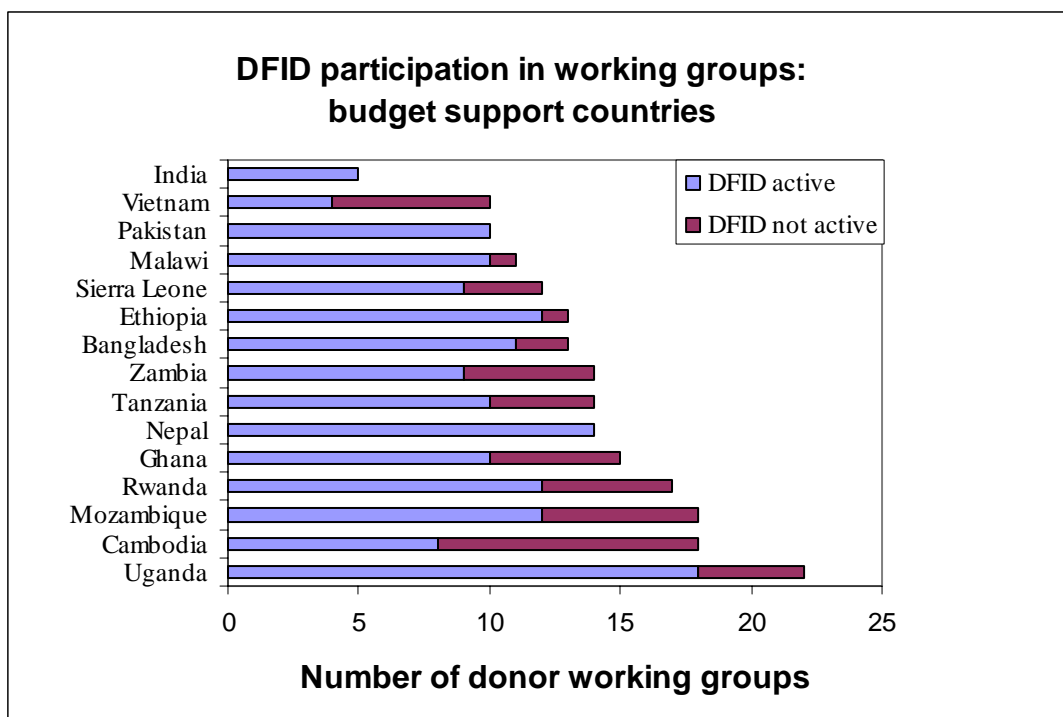
N.B. Totals may not sum to number of countries – any difference is due to respondents selecting ‘about right’

Participation in donor working groups

Different countries have different systems of donor or donor-government working groups. We asked country offices which working groups they participated in. Although the exact groups varied enormously in coverage, the responses show that on average there are many more working groups in budget support countries. They also show that (in all countries) DFID is active in a high proportion of working groups, but (as expected) only leads a small proportion of groups.

	Total donor working groups	Of which DFID is active	Of which DFID is lead donor
Average (all countries)	12.3	9.4	2.9
Average budget support countries	14.4	10.8	3.6
Average non-budget support countries	8.5	6.9	1.5

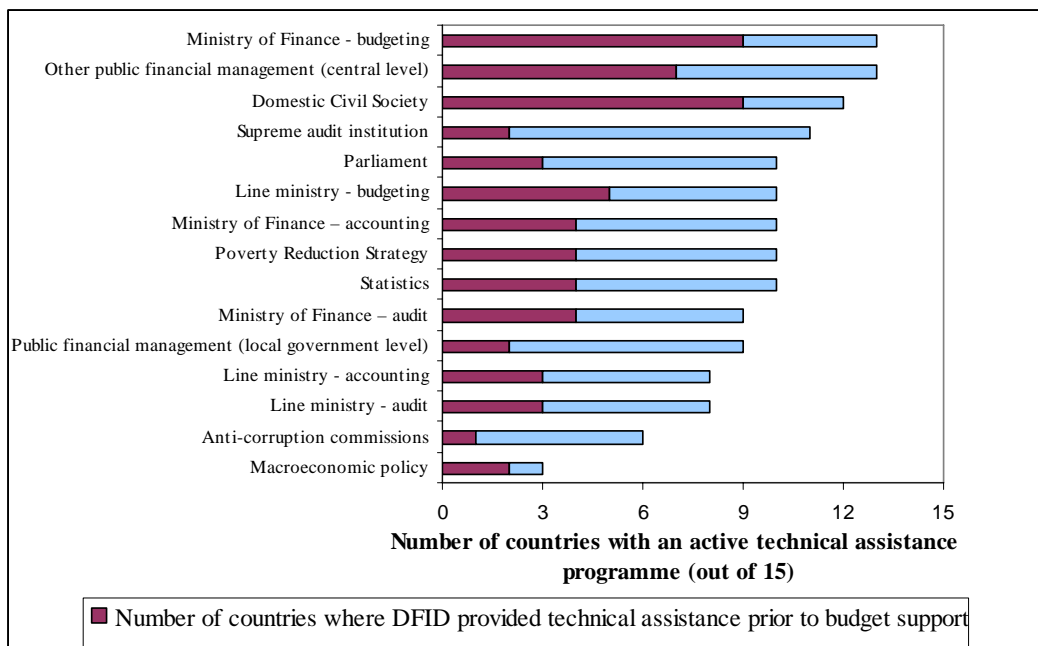
N.B. data excludes Afghanistan (response unclear) and South Africa (no similar system of working groups to low-income-countries where DFID works).



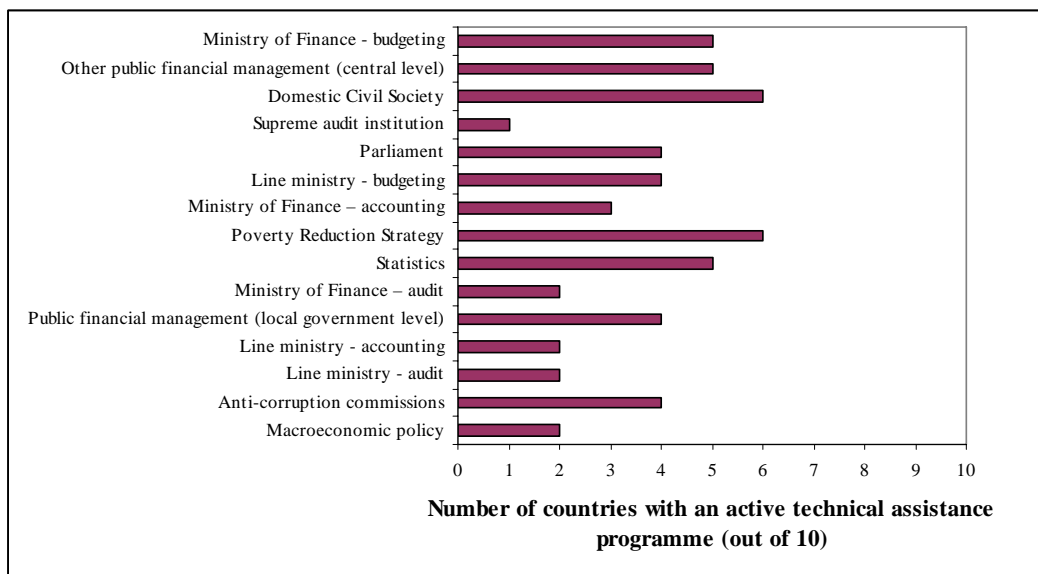
Complementary assistance

We asked staff to indicate where DFID provides complementary inputs to budget support in the form of technical assistance to the government. Country offices using budget support provide technical assistance in many more areas than those not providing budget support. Although though it seems that the amount of technical assistance provided prior to budget support was much less, and is similar to the amount provided by ‘non-budget support’ countries.

Technical assistance provided by all donors in budget support countries



Technical assistance provided by all donors in non-budget support countries



DFID central guidance to country offices

There are many different pieces of guidance produced by DFID for use by country teams. We asked respondents about some key pieces of guidance relevant to budget support - whether they had used these, and if so, how they rated the quality of these documents, in terms of whether they were comprehensive, clear and relevant. Country offices using budget support were more likely to have used the guidance, although there were two pieces of guidance which fewer than half the budget support countries said they had used. Country teams normally rated the quality of guidance well.

Reported use of guidance

Guidance	Number of budget support countries (of 15)	Number of non-budget support countries (of 10)
How to note: managing fiduciary risk when providing Poverty Reduction Budget Support (2004)	15	4
How to note (additional guidance): When to perform fiduciary risk assessments and annual statements of progress (2005)	15	5
Blue Book	15	5
Poverty Reduction Budget Support (DFID policy paper 2004)	14	3
Partnerships for poverty reduction: rethinking conditionality (DFID policy paper 2005)	13	4
Draft how to note: Implementing DFID's conditionality policy (2006)	13	4
How to note (additional guidance): managing the risk of corruption (2005)	12	2
Managing fiduciary risk when providing direct budget support (DFID issues paper 2002)	10	2
Pink Book	8	1
A platform approach to improving public financial management (2005)	7	4
Draft how to note: guidance on the choice and mix of aid instruments (2006) and accompanying draft DFID practice paper (2006)	7	1

Reported quality of guidance

Guidance	Percentage of country offices using guidance rating it as:		
	Comprehensive	Clear	Relevant
Blue Book	95	95	90
How to note: managing fiduciary risk when providing Poverty Reduction Budget Support (2004)	90	90	85
How to note (additional guidance): When to perform fiduciary risk assessments and annual statements of progress (2005)	89	95	95
Draft how to note: Implementing DFID's conditionality policy (2006)	88	76	76
Partnerships for poverty reduction: rethinking conditionality (DFID policy paper 2005)	76	71	76
Poverty Reduction Budget Support (DFID policy paper 2004)	71	76	65
How to note (additional guidance): managing the risk of corruption (2005)	86	86	86
Managing fiduciary risk when providing direct budget support (DFID issues paper 2002)	83	83	83
A platform approach to improving public financial management (2005)	91	91	91
Draft how to note: guidance on the choice and mix of aid instruments (2006) and accompanying draft DFID practice paper (2006)	88	75	75
Pink Book	67	67	56

Assessment of suitability for budget support

Based on the assessments outlined in DFID's conditionality policy and budget support policy, we asked country offices to indicate the level of partner government commitments in different areas.

Countries providing budget support

	Very strong	Strong	Average	Weak	Very weak
Commitment to poverty reduction and achieving the Millennium Development Goals (overall)	3	9	3	0	0
Commitment to good governance, transparency and fighting corruption	0	6	6	2	1
Commitment to respecting human rights and other international obligations	0	6	7	1	0
Commitment to strengthening financial management and accountability	1	13	1	0	0
Actual strength of public financial management (determining level of fiduciary risk)	0	4	9	2	0

NB:- Only 14 responses to 'Commitment to respecting human rights and other international obligations' as Ethiopia did not fill in a figure for this category.

Countries not providing budget support

	Very strong	Strong	Average	Weak	Very weak
Commitment to poverty reduction and achieving the Millennium Development Goals (overall)	1	2	5	1	1
Commitment to good governance, transparency and fighting corruption	0	1	5	2	2
Commitment to respecting human rights and other international obligations	1	1	3	3	2
Commitment to strengthening financial management and accountability	1	4	3	1	1
Actual strength of public financial management (determining level of fiduciary risk)	0	1	3	4	2

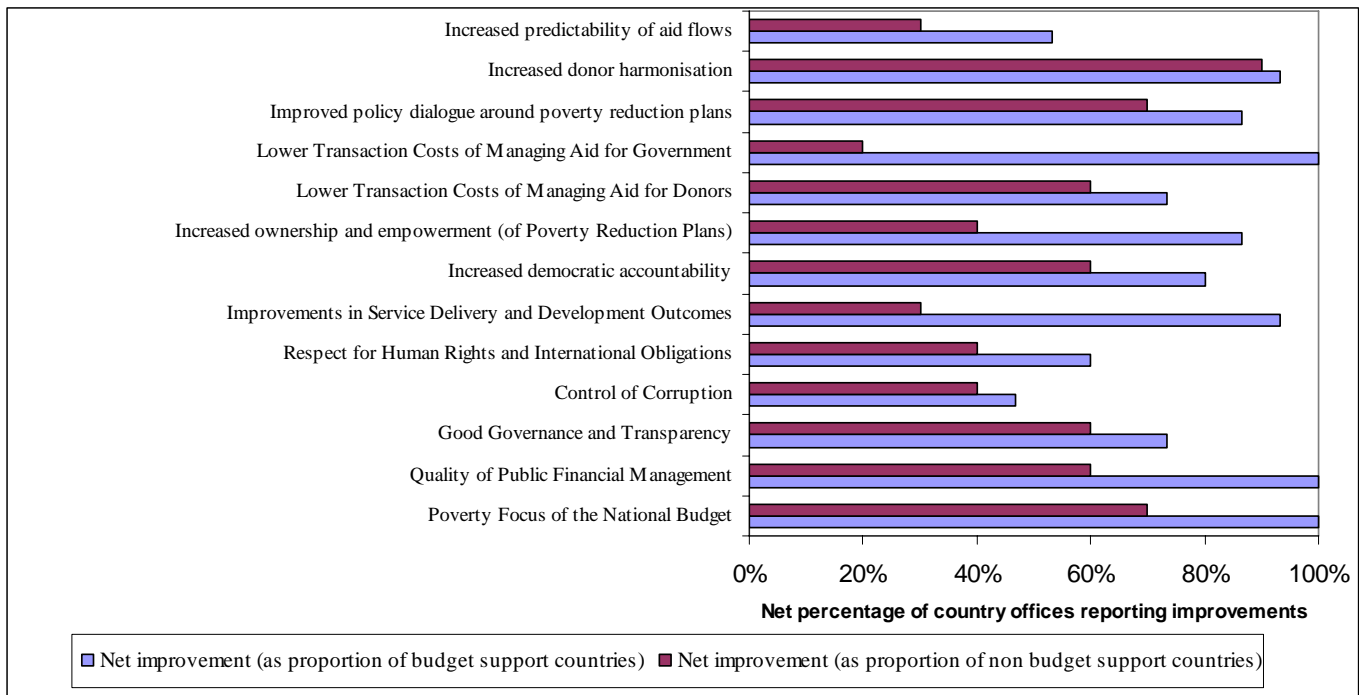
Monitoring and use of information sources

We asked country offices using budget support (excluding Ethiopia) to indicate whether they had used particular sources of information in their decision to use budget support and subsequent monitoring. We then asked them to comment on the importance and reliability (where available) of these sources.

	Use: percentage of country offices using sources in...		Reliability: number of offices (out of 14) rating sources as...		Importance: number of offices (out of 14) rating sources as...
	budget support submissions	monitoring of budget support programme	reliable / very reliable	unreliable / very unreliable	important / very important
1. Annual Progress Reports (or equivalent) on the Poverty Reduction Strategy	86%	86%	11	2	11
2. Budget execution reports	79%	93%	10	0	12
3. Sector performance reviews	71%	79%	11	0	11
4. Supreme audit institution reports	57%	71%	10	2	12
5. Transparency International Corruption Perceptions Index or Global Corruption Barometer	71%	71%	8	3	7
6. Household standard of living surveys	79%	57%	11	1	11
7. Public Expenditure Financial Accountability (PEFA) assessments	36%	43%	8	0	11
8. Public Expenditure Reviews	57%	64%	12	0	12
9. Commitments in a Medium Term Expenditure Framework	71%	64%	8	4	10
10. Public Expenditure Tracking Surveys	43%	50%	5	1	12
11. CIVICUS Civil Society Index	7%	7%	1	0	3
12. Civil society reports	57%	50%	4	2	5
13. Citizens' Report Cards (or equivalent) rating service delivery	7%	14%	1	0	4
14. Parliamentary reviews of budget/Poverty Reduction Strategy	36%	36%	6	1	6
15. Human Rights Watch reports	21%	21%	8	1	5

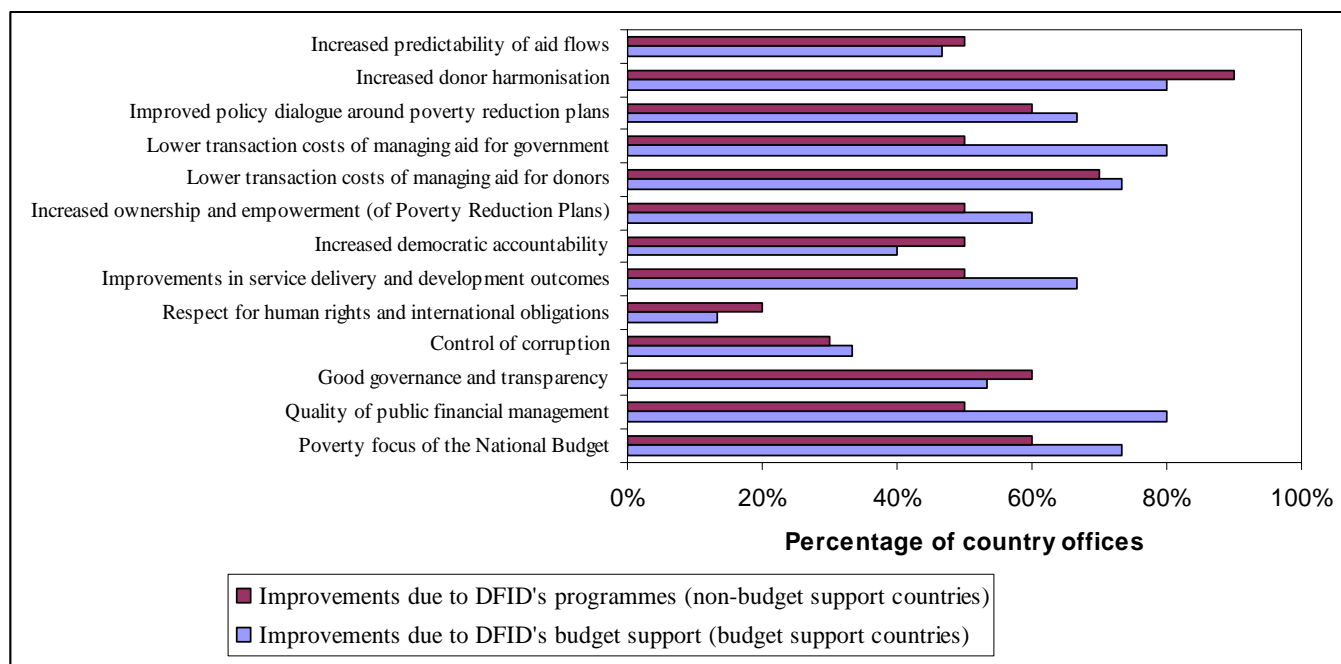
Perceptions of progress

We asked all 25 country offices for their perceptions of progress made in different areas in the last five years. By subtracting the number of countries saying things had got worse from the number which said they had improved, we calculated a ‘net improvement’ score (shown as a proportion of the total number of countries). Budget support countries are shown in blue.



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We also asked whether staff perceived that progress was attributable to DFID's operations – and in budget support countries whether it was specifically due to the use of budget support.



DFID's perceptions of progress in the last five years

	15 countries where DFID provides budget support		10 countries where DFID does not provide budget support	
	Progress	Deterioration	Progress	Deterioration
Quality of public financial management	15	0	7	1
Good governance and transparency	11	0	8	2
Control of corruption	7	0	6	2
Increased democratic accountability	13	1	7	1

Note: Respondents selecting 'no change' are not included in the table

We also asked countries to what extent they could attribute improvements to their aid programmes: whether budget support countries attributed progress to DFID's use of budget support and whether non-budget support countries attributed progress to DFID's programmes in that country (in general).

Use of budget support

The use of budget support has been increasing, with 31 per cent of aid provided by the country offices surveyed channelled through budget support in 2005/06. Projections by country offices show that budget support could increase up to 45 per cent of their aid in the future.

Current and projected use of budget support in 25 Public Service Agreement countries

	2001/02	2002/03	2003/04	2004/05	2005/06	Short term (next 1-2 years)	Medium term (3+ years)
Total aid programme	100%	100%	100%	100%	100%	100%	100%
All budget support	27.4%	18.9%	29.7%	26.4%	31.1%	39.9%	45.4%
General Budget Support	26.1%	17.8%	25.8%	19.8%	19.8%	-	-
Sector Budget Support	1.3%	1.1%	3.9%	6.7%	11.3%	-	-
Sector Wide Approaches	1.4%	2.3%	2.6%	2.4%	4.5%	-	-
Projects	47.4%	51.2%	46.6%	46.0%	45.8%	-	-
Other aid (including bilateral debt relief, humanitarian)	23.7%	27.6%	21.0%	25.2%	18.5%	-	-

Notes: 1) Calculations: Shares of aid are calculated weighted by the size of country programmes, rather than showing a 'typical' country profile. Short and medium-term projections are estimated based on questionnaire responses and the current size of aid portfolio in 2005/06. Lower-case estimates were used where available. 2) there was a large reduction in use of general budget support in India and Uganda from 2001/02 to 2002/03. 3) Afghanistan 'other budget support' excluded (Afghan Reconstruction Trust Fund).

Projections of country programme aid delivered through budget support (all types)

Country	Current (2006/07) percentage	Short term (1-2 years) percentage	Medium term (3+ years) percentage
Countries currently using budget support			
Ethiopia	81	80	80
Tanzania	80	87	87+
Afghanistan*	75	75	80
Rwanda	73	80	80
Vietnam	70	72	80
Mozambique	65	70	70
Ghana	50	70	85
Uganda	50	50-70	50-80
Bangladesh	49	0	0
Zambia	49	58	62
Pakistan	40	45	65
Sierra Leone	35	35	35
India	30	54	60+
Malawi	30	30	30
Nepal	26	35	60
Not currently using budget support			
Cambodia	0	15	25
Democratic Republic of the Congo	0	0	12
Kenya	0	0	50
Nigeria	0	0	5-10

*Although DFID does not classify Afghanistan as providing budget support, the country office responded that its levels of budget support were 75 per cent of aid. This reflects DFID support to the Afghan Reconstruction Trust Fund, which funds the Afghan government on a reimbursement basis.