



PAF 2011 AND PAF 2012

Report from the GBS Review

ANPD, January 2012

Presentation by the Ministry of Finance

PAF Implementation Report and PAF 2012

Outline of the presentation:

- Background
- Overview of PAF 2011 Performance
- Challenges for the year forward
- Introduction to focus of PAF 2012

Background to GBS

- GBS is governed by the **Partnership Framework Memorandum (PFM) of May 2011** which specifies the **principles** and **terms** between the Government and GBS-DPs regarding the provision of GBS.

Background to GBS (cont)

- **Underlying principles of the PFM** relate to the following:
 - ✓ continuing sound macroeconomic policies and management;
 - ✓ commitment to achieving MKUKUTA objectives and MDGs;
 - ✓ sound budgeting and public financial management systems;
 - ✓ continuing peace and respect for human rights, the rule of law, democratic principles, and the independence of the judiciary; and
 - ✓ good governance, accountability of the Government to the citizenry, and integrity of public life, including the active fight against corruption.
- Their observance is critical for the continuation of the partnership agreement

GBS Annual Review, November 2011

- Contractual review between GoT and 12 GBS development partners, as per the Partnership Framework Memorandum
- Focus on assessing performance in FY 2010/11
- Jointly agreed Performance Assessment Framework (PAF) guides the dialogue
- Particular attention of the dialogue on progress in implementation of the PFM strategic action plan and to macro-economic management

PAF 2011 - background

- Three PAF elements being assessed:
 - Underlying Processes (sector reviews/dialogues)
 - Temporary Process Actions (TPAs)
 - Outcome Indicators
- The 2011 PAF had:
 - 14 Underlying Processes
 - 12 TPAs
 - 30 Outcome Indicators

PAF 2011

- Overall performance assessed

satisfactory -

UPs	Satisfactory	Unsatisfactory	Pending
Cluster I	3	1	-
Cluster II	3	-	-
Cluster III	2	1	-
Cluster IV	3		1

TPAs	Achieved	Not Achieved
Cluster I	2	1
Cluster II	3	
Cluster III	1	3
Cluster IV	2	-

OIs	Achieved	Not Achieved	Not assessable
Cluster I	6	2	1
Cluster II	5	3	
Cluster III	4	2	1
Cluster IV	1	4	1

Positive developments:

- Overall performance SATISFACTORY
- 79% of the UPs rated as satisfactory
- 67% of TPAs rated as achieved

Challenges:

- OI performance shows little improvement from previous years;
- DP OI on rate of disbursement by end 2nd quarter of the FY not met
- Some elements not assessable (or still pending) due to challenges with agreed criteria/data availability

Challenges for the year to come

- Energy: sector still faces formidable challenges in terms of within sector governance and dialogue
- Social service delivery: increased attention will be given to quality and equity in service delivery
- Governance/anti corruption: sustain the improved dialogue and focus on delivery of tangible results
- PER dialogue: joint commitment to revamp the Public Expenditure Review dialogue

PAF 2012 – three layers

Underlying Principles

Compliance with **basic conditions** of GBS; governed by the Partnership Framework Memorandum



Key Policy Actions

Actions to deliver policy **outputs** focused on budget, PFM/Value for Money and key cross-sectoral reforms; performance targets set for 2 – 3 year period; assessed annually



Outcome Indicators

Policy **outcomes**, focus on poverty reduction, economic growth, MDG and sound macro-economic management; performance targets set for 3 year period, assessed annually

Performance monitored through GBS and sector dialogue – some sector reviews may continue to be captured in the PAF as underlying processes

PAF 12 - Key Policy Actions

- Prioritisation guided by the Five Year National Development Plan and MKUKUTA II
- Actions to deliver policy **outputs** focused on budget, PFM/Value for Money and key cross-sectoral reforms (public sector reform, equity, business environment, etc.)
- KPAs to demonstrate clear link to the delivery of outcome indicator results; or leverage improvement of underlying principles
- Some KPAs build over 2 – 3 year timeframe and contain annual milestones
- Mutually understood assessment criteria and source of verification will be defined upfront

Draft PAF 12 - Areas for Key Policy Actions

#	KPA Objective area
1	Transport and regional integration: Interconnectivity between Dar Port and rail
2	Energy: Generating sufficient electricity to meet the demand and creating space for surplus generation for export – focus on key policy development initiatives (subsidies policy)
3	Equity/social service delivery: improved equity in social service delivery – link to implementation of the pay and incentive strategy
4	D by D: improved accountability structures at LGA level to ensure value for money in public expenditures
5	Anti corruption: increased transparency in revenues from the extractive industries (EITI)

Draft PAF 12 - Areas for Key Policy Actions

#	KPA Objective area
7	Accountable governance: increased budget transparency
8	PFM: continued improvement of PFM systems and structures through implementation of the PFMRP
9	Marco/revenue generation: increased domestic revenue collection
10	Natural resources: increased transparency in the management of natural resources through decentralisation
11	Legal sector reform: reduced case backlogs

Outcome indicators

- Substantial work done for PAF 2011 to improve the **robustness of the OIs**. Most existing OIs will be maintained to ensure consistency in monitoring of outcomes;
- OIs primarily drawn from the Mkukuta M&E framework, 5YDP and/or sector strategic plans
- At OI level, strong links to MDGs maintained

Way forward

- PAF 2012 to be finalised by mid February
- Final negotiations to be informed by outcomes of the ANPD deliberations (5YDP, Mkukuta, Macro performance)
- Final PAF 2012 to be included in the ANPD reporting and to form basis for DP firm commitments for GBS disbursements in FY 2012/13