

Ministry of Economy of the Republic of Belarus
STATE RESEARCH ORGANIZATION
«ECONOMIC RESEARCH INSTITUTE OF THE MINISTRY OF ECONOMY OF THE
REPUBLIC OF BELARUS»
(SRO ERIMOE)

Draft

REPORT
ON IMPLEMENTATION OF INTERNATIONAL DECLARATIONS AND
ACTION PROGRAMMES ON RAISING THE EFFECTIVENESS OF THE
EXTERNAL ASSISTANCE TO THE REPUBLIC OF BELARUS

Minsk, 2012

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1. INTRODUCTION

According to the classification of the Organization of Economic Cooperation and Development (OECD) by the period 2009-2010 the Republic of Belarus was a country with the level of incomes higher than average¹. The GDP per capita from 2002 to 2010 grew some 8.87% annually and in by 2010 made 5,783 US dollars a year (see table 1) which allowed to cut the poverty level from 47% in 2000 to 5% in 2010.² The country population makes 9.46 million persons.³

Table 1- Belarus GDP in 2002-2010

Year	2002	2004	2006	2008	2010
GDP, billion US dollars	14.59	23.14	36.96	60.76	54.71
<i>Annual GDP growth, %</i>	5.05	11.45	10.0	10.25	7.61
GDP per capita, US dollars	1,542	2,446	3,907	6,423	5,783

The Table 1 demonstrates rapid economic growth of the country. This economic growth was supported by favorable external conditions in the form of better trading environment, supplies of cheap energy resources from the Russian Federation and high economic growth in the countries which were the main trading partners for the Republic of Belarus.

Transition from the growth stimulated by the external demand to the growth stimulated by the inner demand financed by massive crediting of the economy (mostly within the Government programmes) has let the Republic of Belarus to preserve high economic growth after 2005. But this growth was achieved on the account of the external disproportions: 1.4% GDP current account surplus in 2005 was replaced by 15% deficit by 2010. Growing gap between inner savings and investments became narrower because of intensive external borrowing. In the period of 2009-2011 the Gross National Debt grew 2.5 times, 62% exceeding the GDP by 2011. The low volumes of foreign investments and level of currency reserves increased uncertainty about the sources to finance the foreign trade deficit. The growth of the external economic disproportions led to unstable dynamics of economic growth in the Republic of Belarus. The country overcome through two macroeconomic crises in two years: one was the results of the world economic crisis of 2008-2009 and the second one occurred in 2011 because of ineffective macroeconomic policy⁴.

¹ GDP per capita from 3.706 to 11.455 US dollars (<http://www.oecd.org/dac/aidstatistics/43540882.pdf>)

² Partnership between the World Bank and the Republic of Belarus. Overview of the Country Programme. October, 2012.

³ By August 2012. (<http://belstat.gov.by/homep/en/indicators/press/demographics.php>)

⁴ Partnership between the World Bank and the Republic of Belarus. Overview of the Country Programme. October, 2012.

According to the OECD the Official Development Aid (ODA) consists of the International Technical Assistance (ITA), low interest credits, restructuring external debt and humanitarian aid.

According to the poll among the donors done for this research average annual volume of the ITA for Belarus makes some 27.9 million US dollars (see the Annex, answers for Q^{d1}), humanitarian aid – 75.7 million US dollars⁵. According to the OECD the ODA to Belarus in 2008 made 110 million Euro which makes 0.2% of the GNP⁶.

Many countries having signed the Paris Declaration in 2005 have come through three evaluations of the achievement of the goals of the Declaration: in 2006, 2008 and 2010. Belarus joined the Paris Declaration in 2010⁷ and therefore could not be a part of any of the above-mentioned evaluations. This is why the OECD has not defined goals for each of the Paris indicators for Belarus for 2010 as it had been done for other participating states.

Achievement of the principles of the Paris Declaration to raise the effectiveness of external assistance depends both on the position of the donors and the Government of the partner state.

Starting from 2003 even before adoption of the Paris Declaration and Belarus joining it, the Government of Belarus started activities to increase the effectiveness of external assistance through first of all improving the national legislation in this area and drafting the five-year National Programme of International Technical Cooperation which defines the requirements of Belarus in the area of the ITA. In September 2012 the Commission on the Issues of International Technical Cooperation under the Council of Ministers of the Republic of Belarus supported the initiative of the Ministry of Economy to hold the first national monitoring of achievements of the principles of the Paris Declaration⁸.

This report covers only the ITA to Belarus. The poll was done among the major donors to Belarus: the EU, UNDP, WHO, IOM, UNICEF and UNFPA which are providers of some 90% of ITA in Belarus according to the data of the Ministry of Economy. The answers of the donors are compiled into the Country Table (see the Annex). The data from this table have been used for calculation of corresponding indicators.

The authors of this Report used the Report of the World Bank evaluating the cooperation with Belarus of 2008.⁹ There are no later versions of such researches by the World Bank.

⁵ http://dha.by/images/page41/ob_itogah_raboty_za_2010_god.doc

⁶ Achievement of development goals formulated by the Millennium Declaration, the National Report, Minsk, 2012 (<http://un.by/f/file/CRDT-belarus-2010.pdf>)

⁷ Order of the President of the Republic of Belarus No. 130 of 3 March 2010 “On the Republic of Belarus joining the Paris Declaration on raising the effectiveness of external assistance

⁸ Item No. 22 of the Protocol of the meeting of the Commission on the Issues of the International Technical Cooperation under the Council of Ministers of the Republic of Belarus of 06 September 2012

⁹ Report on the implementation of the strategy of the cooperation of the World Bank with the Republic of Belarus, 20 October 2009. Report No. 50841-by. WB document.

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2. IMPLEMENTATION OF THE PARIS DECLARATION PRINCIPLES IN BELARUS

Analysis of implementation of the principles of the Paris Declaration on Aid Effectiveness in 2005 in Belarus was done based on poll among donors and the Government officials and their replies on each of the five principles and 12 indicators of the Paris Declaration (see the Table 2).

Table 2 – Principles and indicators of the Paris Declaration

Principles of the Paris Declaration	Indicators of the Paris Declaration	
	№	Name
1. Ownership	1	Presence of an acting development strategy
2. Alignment	2a	Reliability of the state financial management system
	2b	Reliability of state procurement system
	3	Flows of foreign aid are coordinated with the national priorities
	4	Strengthen the potential through coordinated support
	5a	Use of the national Government financial management systems
	5b	Use of the national procurement systems
	6	Strengthen capacity by removal of parallel PIUs
	7	More predictable assistance
	8	Aid is untied
3. Harmonisation	9	Use of joint systems and procedures
	10a	Joint missions
	10b	Joint country analytical work
4. Managing for result	11	Result-oriented structures
5. Mutual accountability	12	Mutual accountability

Below there is data on each of the indicators calculated based on the 2010 OECD methodology or evaluated based on the country indicators and comparison of the latter with the indicators of other partner-states.

2.1 COUNTRY OWNERSHIP

This principle of the Paris Declaration is based on the assumption that the development aid is most effective when it supports the existing country approach to reforming and less effective when the policy and implementation approaches are defined by donors. In the context of the Paris Declaration the Country Ownership means ability of a country to:

- Implement effective drafting of reforming policies and strategies;
- Coordinate activities of all the participants of the process (donors), assisting country development

Indicator 1. Presence of an acting development strategy

Indicator 1 evaluates the existing National Development Strategy which could be used by donors to coordinate their country activities, as much as this strategy may be concerned the National Development Strategy setting priorities and defining expected results in long term perspective and which forms government expenditures. Such an evaluation is done in the reports on the effectiveness of the World Bank aid and is done on 5 grade scale from A to E. grade A means that a country has a sustainable development strategy and grade E means absence of such a strategy. The Paris Declaration sets an overall goal that by 2010 at least 75% partner states having their own development strategies would have A or B grades.

Thus Indicator 1 demonstrates the level of country responsibility for its own development. It was evaluated by the World Bank based on three criteria:

- Presence and quality of country strategy development documents;
- Defined priorities in these documents;
- And based on results of answers for the questions Q[§]1-Q[§]13 of the partner states' Governments in the questionnaire for Governments:

Q[§]1. Is there national development strategy / Poverty Reduction Strategy Paper (PRSP)?
 If Yes, (i) what is its name?
 (ii) when was it formulated?
 (iii) which period does it cover?
 If No, is there one under preparation?
 If Yes, what is the stage of its preparation?

Q[§]2. Is (Are) there a progress report(s) of the national development strategy /PRSP?
 If Yes, (i) when was the latest one formulated?
 (ii) How often is it formulated?

Q[§]3. Please list any other national development strategies preceding the most recent one (including the dates of formulation and time periods covered) in the last 10 years:

Q[§]4. (a) Is there Medium-term fiscal framework (MTFF)?
 If Yes, (i) when was it formulated?
 (ii) which period does it cover?

(b) Is there Medium-term expenditure framework (MTEF)?
 If Yes, (i) when was it formulated?
 (ii) which period does it cover?

■ **Unified Strategic Framework:**

Q[§]5. Is there long-term vision underpinning the latest national development strategy?
 If Yes, (i) the name of document:
 (ii) when was it formulated?

<p>(iii) please explain how the long-term vision and national development strategy are linked (e.g. timing and sequencing, consistency of their objectives, and institutional responsibilities).</p> <p>Q⁶. How, if they exist, are sector and sub-national strategies linked to the national development strategy for example timing and sequencing, consistency of their objectives and institutional responsibilities? If the link is weak, what are key challenges to improving the link?</p> <p>Q⁷. Do policy makers and line ministries use the national development strategy at national, sub-national and sectoral levels? If Yes, please describe how policy makers and line ministries use the strategy:</p> <p>■ Prioritisation:</p> <p>Q⁸. Does the national development strategy have prioritised targets? If Yes, (i) What is the mechanism to achieve the prioritised targets? (ii) What is the sequence of actions to achieve the targets?</p> <p>Q⁹. (a) Are the objectives/targets of the strategy linked with Millennium Development Goals (MDGs)? If Yes, (i) how many MDG targets are included in the strategy? (ii) how are MDG related targets tailored to your country's circumstances?</p> <p>(b) Are objectives/targets of the strategy linked with cross-cutting issues such as gender, environment and governance? If Yes, please explain how the national development strategy is linked with cross-cutting issues:</p> <p>■ Strategic Link to the Budget:</p> <p>Q¹⁰. Is the national development strategy costed? If Yes, (i) please explain how it is costed? (ii) which page(s) of the national development strategy includes information on costing (if costing is in the national development strategy)? (iii) where can costing information be found (if costing is outside the national development strategy)?</p> <p>Q¹¹. How is the national development strategy linked to MTEF (if it exists) and the annual budget?</p> <p>Q¹². Are sector strategy priorities reflected in the MTEF, if it exists, and how are they broadly reflected in the most recent annual budget?</p> <p>Q¹³. Is there a performance orientation in the budgeting/MTEF process? If Yes, please explain how it works in the budgeting/MTEF: If No, please explain key challenges:</p>

As it has been stated before, Belarus has not take part in the monitoring of the achievements of the Paris Declaration principles on objective reasons. This is why there are no official data on Indicator 1. We will try to evaluate the situation ourselves, providing answers for the questions Q¹ - Q¹³ above.

- According to the National Law of the Republic of Belarus the National Strategy is formed:
- For a long-term perspective (National Strategies of Sustainable Social and Economic Development for 15 years and Basic Directions of Social and Economic Development for 10 years);
 - For mid-term perspective (Programmes of Social and Economic Development for five years);
 - For short-term period (annual prognosis of social and economic development of the Republic of Belarus which is drafted for the whole country, branches of economy and administrative and territorial units).

According to the Law of the Republic of Belarus On State Prognosing and Programmes of Social and Economic Development of the Republic of Belarus, the National Strategy of Sustainable Social and Economic Development of the Republic of Belarus for the period till 2020 (NSSED-

2020) has been drafted and drafting of the NSSD-2035 has started. With the view of the tasks and priorities of the Strategy, the Programme of Social and Economic Development of Belarus (PSED) for 2011-2015 has been drafted and approved. Its main goal is the growth of the welfare and improving the living conditions of the population based on the optimization of the social and economic relations, innovative development and raising competitiveness of the national economy, improving the budgeting policy in line with raising efficiency of budget spending. This Programme is on annual basis supplemented with a Prognosis of Social and Economic Development, the Basic Directions of the Financial and Credit policy of the Republic of Belarus for the next fiscal year and short-term financial programme for three-year period.

The goals of the National Strategy are divided by priorities and tied with the Millennium Development Goals (MDGs). They have been reflected in the above mentioned programmes as well as in other national programmes and concepts. By 2010 Belarus has reached nearly all the MDGs^{10,11}.

Sector strategies are reflected in the national strategies of sustainable social and economic development as well as in the annual prognosis of social and economic development of the Republic of Belarus which is drafted for all the country and for different branches of economy.

Mid-term fiscal policy (MFP) of Belarus is formed based on the following documents:

- Main Directions of Budget, Finance and Taxation Policy of the Republic of Belarus for 2013-2015, approved by the Presidium of the Council of Ministers of the Republic of Belarus;
- Programme of Social and Economic Development of the Republic of Belarus for 2011-2015 defining the main directions of budget and taxation policy, approved by the Order of the President of the Republic of Belarus No. 136 of 11 April 2011.

The main directions of the budget, finance and taxation policy of the republic of Belarus including mid-term three-year financial programme are drafted based on the five year programme of social and economic development of the Republic of Belarus, the prognosis of the main parameters of economic development and the parameters of the main financial and credit indicators and are used as the base for the draft project of the national budget and the budget indicators for the consolidated budget for every fiscal year. The mid-term financial programme contains data on the budgetary opportunities in the area of mobilization of incomes and strategies of the priority directions of the budget expenses within the limits of the mid-term

¹⁰ Achievement of the Development Goals stated in the Millennium Declaration, National report. Minsk, 2012 (<http://un.by/f/file/CRDT-belarus-2010.pdf>)

¹¹ Sustainable Development of the Republic of Belarus on the Principles of "Green" Economy. Minsk, 2012 (http://www.uncsd2012.org/content/documents/793Belarus%20National%20Report%20on%20SD%20_Rus.pdf)

perspective. This document is updated annually and approved by the Government of the Republic of Belarus.

The cost of the implementation of the National Development Strategy in Belarus is not calculated presently but according to the Ministry of Finance the work to define the volume of necessary resources is ongoing.

Taking into account the Basic Directions of the Budget, Finance and Taxation Policy of the Republic of Belarus, the Prognosis of the Social and Economic Development and the Parameters of Financial and Credit Policy of the Republic of Belarus, as well as expected implementation of the national and regional budgets the national and regional budgets are drafted together with the calculated indicators for the budgets of the country and the regions including Minsk city.

The consolidated budget of the Republic of Belarus is traditionally socially oriented and is characterized by high level of spending for social security. The share of expenses for the offices implementing social policies makes more than 40%.

In 2013 the innovative development has become the priority direction in the budget. National budget foresees increase of financing of scientific, research and innovative activities 1.7 times.

There are no meetings of donors with the Government and civil society in Belarus. In some partner states such meetings are a part of the national strategy implementation control and evaluation system.

The National Programme of International Technical Cooperation for 2012-2016 defining the country priorities in the area of technical cooperation may be considered a comprehensive programme/instrument for the assistance coordination.

Based on the September 2008 evaluation of the cooperation strategy with the World Bank the following recommendations were given to Belarus¹²:

- PSED (then PSED for 2006-2010) needed amending because it was drafted before rise of prices for energy;
- the role of the Government in the economy needed to be reviewed and dialogue between the state and private sector strengthened;
- reform of the public sector, Government structures and judicial system needed to be strengthened and deepened.

¹² Report on the implementation of the strategy of the cooperation of the World Bank with the Republic of Belarus, 20 October 2009. Report No. 50841-by. WB document.

Taking into account that on the first stage of monitoring in 2006 some 62% of participating countries got C grade and only 37% of states reached the goal (grade A or B) and basing on the monitoring results we may assume that in 2010 **possible grade of Belarus would be C or B.**

2.2 ALIGNMENT

To achieve the maximal effectiveness of the ODA one has to not only coordinate it with the National Development Strategies but also it is necessary that the donors use the national financial management systems and state procurement systems. Indicators 2-8 evaluate various sides of agreement process between the partner-states and donors.

Indicator 2: Building reliable country systems embraces two aspects of the partner-states systems:

- management of the state financial resources (MSR) – Indicator 2a;
- state procurement system in a partner-state – Indicator 2b.

Indicator 2a: Management of the state financial resources.

This Indicator demonstrates the level of reliability of the management of the state financial resources (MSR) of a partner-state in accordance with common good practices and also evaluates the ongoing reforms to introduce reliable MSR systems.

The evaluation is based on the data by the Country Policy and Institutional Assessment (CPIA), done by the World Bank in the area of management of the state financial resources with scale from Grade 1 (very weak system) to 6 (very strong system) where grades are divided per 0.5 of a point.

To get a high grade a country must have:

- full and reliable budget, tied with the strategic priorities;
- effective financial management systems providing for appropriate budget execution in well-controlled and predictable manner;
- timely and exact accounting and financial reporting including timely reports on execution of the state budget and audit of Government finances as well as effective mechanisms of later control.

The global goal of the Paris Declaration till 2010 is that half of the Partner-States would increase at least one grade (0.5 point) the evaluation of their systems of state financial management. According to the evaluation of the World Bank (September, 2008), “the state financial management system of the Republic of Belarus needs reforming in particular in the sphere of strategic distribution of resources as well as in the areas of transparency and accountability of state expenses”. At the same time it is also noted that the authorities of Belarus recognize importance of creation of a new reliable system state finance management system and that is why they’ve

undertaken some measures directed at its improvement. In particular this was introduction of programme-oriented budget planning, widening the budget by inclusion into it a set of out-of-budget funds and increase of the quality of the state investment spending.

According to the Office of the WB in Belarus the CPIA for Belarus makes 3.5 points which means that the Grade of **Indicator 2a makes 3.5.**

Indicator 2b: How important are the state procurement systems?

Indicator 2b was evaluated in 2008 by 17 states. This process is evaluation using Methodology to evaluate the state procurement systems drafted by the Target Group of the OECD Procurement Committee. The Methodology includes indicators to compare the national systems with the internationally used best practices and a new set of indicators to evaluate the work of a system fully, its coordination with the national legislation and standards as well as presence of a reform plan to improve the existing practices. The results are provided in four-grade scale from A (highest) to D (lowest). The aim for 2010 was that a third of Partner-states would upgrade at least one step higher (i.e. from D to C, from C to B or from B to A).

It seems to be impossible in the present conditions to evaluate this indicator for Belarus without participation of the World Bank experts.

We will try to make evaluations ourselves basing on the research of the World Bank for Belarus. The evaluation of the World Bank (September, 2008) shows that the state procurement system needs reforming¹³. From the other side according to the later research of the World Bank¹⁴ on position PI-19 «Competitiveness, spending effectiveness and control in the sphere of state procurement» C+ grade was given to Belarus.

After September 2008 a set of legislative acts was adopted improving the state procurement system in Belarus, in particular they were:

- Order of the President of the Republic of Belarus No. 618 of 17 November 2008 On State Procurements in the Republic of Belarus;
- Regulation of the Council of Ministers of the Republic of Belarus No. 1987 of 20 December 2008 On Some Issues of Performing State Procurement;
- Law of the Republic of Belarus On State Procurement of Goods and Services; Adopted by the Chamber of Representatives 27 June 2012, approved by the Council of Republic on 29 June 2012;
- Order of the President of the Republic of Belarus No. 112 of 27 February 2012 On Digital Auctions.

¹³ Report on implementation of the Cooperation of the World Bank with the Republic of Belarus, 20 October 2009. Report No. 50841-by. World Bank document.

¹⁴ State expenses and financial accountability. Evaluation of effectiveness of management of state finances. Report No. 48239 – BY. of the World Bank for Belarus, April, 2009. World Bank. Department for Economy Management and Poverty Reduction, Region of Europe and Central Asia. 2009

The Ministry of Economy is entrusted to be the authorized Government body to perform state procurement¹⁵.

This is why one may say that **the state procurement system in Belarus may be evaluated on C level taking into account the new national legislation.**

Indicator 3: Aid flows are aligned on national priorities.

Complete and transparent documentation on external assistance and its use help to guarantee that the donors agree the aid flows with the national priorities. When the aid is completely targeted for the state sector and clearly reflected in the Government budget, it demonstrates that the aid programmes are well connected with the country policies and processes. This also allows the authorities of the Partner-States to provide complete and exact report on the budget to the Parliament and citizens.

Indicator 3 measures the percentage of the external aid flows which are provided to the state sector, included into the annual budgets of the same year and calculated based on the answers for questions Q^d1 - Q^d5 and question Q^e14 of the Questionnaire for the Government:

Questions from the Donor Questionnaire:
How much ODA16 did you disburse at country-level in...
Qd1. ...calendar year 2010? USD17 **\$27 906 860**
Qd2. ...fiscal year 2009/10? USD (response to Qd2 needed ONLY if the fiscal year of the country receiving ODA is not from January to December)
■ How much of this was for the government sector in...
Qd3. ...calendar year 2010? USD **\$27 906 860**
Qd4. ...fiscal year 2009/10? USD (response to Qd4 needed ONLY if the fiscal year of the country receiving ODA is not from January to December)
■ For reference purposes only, how much ODA for the government sector did you disburse through other donors (ODA which is not captured in your responses to Qd1 – Qd4 above) at the country level in
Qd5. ...calendar year 2010? USD

Questions from the Government Questionnaire
How much estimated ODA18 was recorded in the 2010 annual budget as revenue, grants or ODA loans...
Qg14. ...in the 2010 (or 2009/10)19 annual budget? USD:
To measure this indicator the following formula by the OECD Secretariat is used:

$$\text{Indicator 3 (\%)} = \frac{100 \times Q^{e14}}{Q^{e4}} = 100 \times (\text{ITA not accounted} / 27\,906\,860) = \text{may not be defined}$$

Thus the Indicator 3 for Belarus **may not be defined**. This confirms that the data on the ODA are not provided in the national budget. But the data on the volume of ITA are partially accounted

¹⁵ Order of the President of the Republic of Belarus On some Issues of State Procurement of goods (works, services) No. 576 of 29 December 2010.

¹⁶ Excluding debt reorganisation, humanitarian assistance and support to regional programmes.

¹⁷ ODA should be reported in US Dollars. Average annual exchange rates for the major currencies for 2010 will be available at: <http://www.oecd.org/dac/pdsurvey>

¹⁸ Excluding debt reorganisation, humanitarian assistance and support to regional programmes.

¹⁹ Countries whose fiscal year is from January to December should report data for 2010. Other countries should report data for their fiscal year 2009/10.

within the national accounting system and make up to **20.7%** (see for more details description and evaluation of Indicator 7). Besides that the system of approval and registration of the ITA projects in Belarus is made up in a way that already on the primary stage the MFA undertakes expertise on “correspondence of s project to the national interests”, i.e. the MFA document states whether a projects corresponds to the goals of National Programmes and this means agreeing the flows of the ODA with the national priorities. Thus one may presume that the numerical level of **Indicator 3 for Belarus may be somewhere equal to 21%.**

Indicator 4. Strengthen capacity by co-ordinated support.

This Indicator measures the percentage of the Technical Assistance provided by donors within the coordinated programmes to strengthen capacity. Calculation of this Indicator is done based on comparison of the total volume of aid provided by donors with the volume of aid provided by them within the strengthen capacity coordinated programmes. According to the Paris Declaration target was defined for 2010: half of the volume of external assistance, i.e. 50%, should be implemented through coordinated programmes which correspond to the national strategies of the Partner-States. Indicator 4 assumes that the Government structures for clear strategies to strengthen capacity and the technical cooperation is implemented in accordance with these priorities and under direct control of a corresponding government office or in coordination with other development partners. It is presumed that the following goals should be achieved:

- Technical assistance promotes country capacity building;
- Capacity strengthening is defined in accordance with the development priorities;
- Capacity strengthening is aligned with the national priorities;
- Donors coordinate their efforts within the framework of Technical Assistance.

In some way the National Programme of International Technical Cooperation drafted in Belarus might promote capacity strengthening through coordinated support but it is drafted and approved by one side and without participation of donors.

Indicator 4 is calculated based on the answers for questions Q^{d6} and - Q^{d7} of the Questionnaire for Donors:

Questions from the Donor Questionnaire:
How much technical co-operation did you disburse in calendar year 2010?
Qd6. USD = \$21 459 373
How much technical co-operation did you disburse through co-ordinated programmes in support of capacity development in calendar year 2010?
Qd7. USD = \$20 109 078
 To measure this indicator the following formula by the OECD Secretariat is used:

$$\text{Indicator 4 (\%)} = 100 \times \frac{Q^{d7}}{Q^{d6}} = 100 \times (20\ 109\ 078 / 21\ 459\ 373) = 93.7 \%$$

Indicator 4 for Belarus equals **93.7%**. Thus the obligations within the Paris Declaration to coordinate the ITA with the tasks and strategies of Belarus to strengthen capacity are implemented.

Индикатор 5. Use of country systems.

The Paris Declaration calls donors to wider use PFM systems of the Partner-States.

Indicator 5a - Use of country PFM systems.

This Indicator supposes trust by donors to the national systems of the countries where they work. Use of the national systems in the area of budgeting, financial reporting and audit in the projects and programmes of external assistance increases the national potential significantly. The Paris Declaration calls the donors to use the national systems when their quality reaches the necessary level. Accra Action Plan in its turn calls the Donors to provide well-grounded justifications in cases they cannot use the national systems. Indicator 5a measures the percentage of payments done with the use of the national systems.

Indicator 5a is calculated based on the answers Q^{d8} and - Q^{d11} of the Questionnaire for the Donors:

Questions from the Donor Questionnaire:
In calendar year 2010, how much ODA disbursed for the government sector used...
 Qd8. ...national budget execution procedures? USD = \$570 600
 Qd9. ...national financial reporting procedures? = *may not be accounted*
 Qd10. ...national auditing procedures? USD = *may not be accounted*
 Qd11. ...all three national procedures as defined above? USD = \$570 600

To measure this indicator the following formula by the OECD Secretariat is used:

$$\text{Indicator 5a (\%)} = 100 \times \frac{\left[\left(\frac{1}{3}\right)(Q^{d8} + Q^{d9} + Q^{d10})\right]}{Q^{d3}} = 100 \times \frac{1/3(570\,000)}{27\,906\,860} = 100 \times 0.0068 = 0.6\%$$

Indicator 5a for Belarus makes **0.6%**. Such a figure in fact reflects the reality because the national systems of financial management are used by donors for the budgetary support and in Belarus mostly program-project oriented support is implemented. This is why the answers for the questions Q^{d9} и Q^{d10} may not be taken into account. This figure, 0.6%, thus may be considered *national* implementation used by the UNDP.

Indicator 5b – Use of country procurement systems.

Another important element of the national systems is the procurement system. Use of the national procurement systems is the evidence of the key role of the Government bodies in the process of the aid implementation. Like Indicator 5a, the calculation of this Indicator is done by comparison of overall aid volumes provided with use of the national procurement systems:

Questions from the Donor Questionnaire:

How much ODA disbursed for the government sector used national procurement systems in calendar year 2010?

Qd12. USD \$50 000

To measure this indicator the following formula by the OECD Secretariat is used:

$$\text{Indicator 5b (\%)} = 100 \times \frac{Q^{d12}}{Q^{d3}} = 100 \times (50\,000 / 27\,906\,860) = 0.00179 \times 100 = 0.18\%$$

Indicator 5b for Belarus equals **0.18%**. This means that less than 0.2% of all the ITA provided to Belarus was implemented within projects using the national procurement system.

Thus the level of the use by donors the national systems of Belarus remains very low.

Indicator 6. Avoiding parallel Project Implementation Units.

It is the widely used practice among the Donors to use the Project Implementation Units (PIU) for implementation of their projects. Often use of such bodies allows for fast and effective implement all the donor requirements such as financial, personnel hiring, reporting etc. ***Some of these Units may be considered parallel in case they are set up by the initiative of the donor and work outside the Government structures.*** The Paris Declaration calls to cut the number of the parallel PIUs.

It is presumed that the following goals should be achieved:

- Strengthening the national capacity in managing the ODA;
- Strengthening the local capacities in planning and implementation of the ITA projects;
- Better reporting;
- Government is responsible for projects and their staff;
 - Project management uses the present Government structure implementing the ITA.

The criteria to consider a PIU parallel one are as following. In case there is a Yes answer for three out of four questions below, a PIU is considered a parallel one:

1 Does the PIU report to donor or organization providing the aid and not to the Government bodies responsible for the project implementation?

2 Is the Terms of reference for the external experts defined by the donor?

3 Staff is mostly appointed by the donor?

4 Is the level of the salary for the local project experts higher than for the public officers working with the project?

Question from the Donor Questionnaire to be answered for measuring this Indicator:

How many parallel project implementation units did you make use of in calendar year 2010 in the provision of aid for the government sector?

Qd13. Number of parallel PIUs = 7

To measure this indicator the following formula by the OECD Secretariat is used:

According to the answers by the donors (see Annex 1) there are **seven** such PIUs in Belarus. But one may doubt the reality of this figure. Seven PIUs relate to the UN system in Belarus. Unfortunately the EU reply does not provide the number of PIUs. Though, basing on the above-mentioned definition one may consider such PIUs the ones within the national and regional ENPI Programmes. Presently there are at least three such PIUs within the annual ENPI Programmes (1 for 2007; 1 for 2008; 1 for 2009 and 1 for 2010, i.e. at least a contractor for an annual Action Programme. The PIUs for the annual ENPI Programmes are as usual located in other Partner-states.

Thus, **Indicator 6 for Belarus is approximately equal to 11 points.**

Indicator 7 – Aid is more predictable.

The Paris Declaration calls the Donors to provide for reliable indicative multiannual plans for providing assistance and distribute aid timely and in predictable manner in accordance with agreed plans. This indicator measures the gap between the planned aid and the aid effectively distributed and officially recorded in partner states financial documents. Within this Indicator it is presupposed that the following goals should be reached:

- Strengthening the right of a partner-state for development politics and reforms;
- Improvement of the implementation of the national development strategies in mid-term;
- Planning optimization and provision of resources inside and between sectors;
- Integration of aid flows into the country system;
- Donors document the total aid volumes planned for distribution;
- Governments report better aid distribution by Donors.

Measurement of this Indicator is tied to the progress on Indicator 1 (Operational Development Strategies) and Indicator 2 (Reliable PFM systems).

Calculation of the level on this Indicator is tied to replies on the questions Q^d14 and Q^g15 from the Questionnaires for Donors and Governments accordingly:

Question from the Donor Questionnaire to be answered for measuring this Indicator:
How much total ODA for the government sector did you schedule for disbursement in calendar year 2010?
 Qd14. USD = \$2 948 019

Question from the Government Questionnaire:
How much total ODA for the government sector was actually recorded in your accounting systems in calendar year 2010?
 Qg15. USD: *не может быть учтено*
 (Government must provide exact data for each Donor in their **country tables**, including the Donors not taking part in the survey).
 To measure this indicator the following formula by the OECD Secretariat is used:

$$\text{Indicator 7 (\%)} = 100 \times \frac{Q^{d15}}{Q^{d14}}$$

According to the Donors the volume of planned payments for 2010 makes 2,948,019 USD.

There is not special official statistics for the volumes of the ITA for the public sector included into the national MFP in Belarus. This is why the measurement of this Indicator may only be estimated based on the knowledge on the mechanism of the ITA provision to Belarus. The main ITA donors to Belarus are the EU and the UN system in Belarus (UNDP).

The UN system in Belarus (UNDP) works by two schemes:

- a project is implemented through the UNDP and the resources go to the accounts of Belarusian organizations;
- UNDP signs an agreement to implement a project with a Belarusian organization; the resources go the accounts of Belarusian organizations and thus are accounted in the national systems.

The EU ITA Projects are implemented as:

- contracts for services, procurements and works (projects based on ToRs);
- grants (projects based on applications).

In the first case the contracts are implemented by international consortia headed as a rule EU companies; the majority of the resources goes through these companies and thus are not reflected in the national accounting systems. This is the case with the National and Regional ENPI Programmes.

In the second case the grant contract is signed with a Belarusian organization, the resources go the accounts of these organizations and thus are reflected in the national accounting system. This is the case with the Cross-Border Cooperation (CBC) Programmes of the ENPI, Projects of Interregional ENPI Programme and thematic EU Programmes.

Let us evaluate the volumes of the EU ITA for Belarusian public sector which is hidden accounted annually in the national systems.

The volume of the EU ITA to Belarus within the ENPI National Programme for 2007-2010 makes 29 million Euro a year. These resources are practically not reflected in the national accounting system.

The volume of EU ITA within the CBC Programmes, ENPI Interregional Programme the the EU thematic programmes for the public sector is estimated by us as not more than 1.5 million Euro a year. These resources are reflected indirectly in the national accounting system. Thus some **20.7% of the EU ITA** are indirectly reflected in the national accounting system in Belarus.

Because of lack of data such estimation for UNDP is impossible.

One may presume that Indicator 7 for Belarus **may be estimated at some 20.7%**

Indicator 8: Aid is untied

External assistance is called *tied* when for procurement of goods and services resources of donor state are used. Untied aid costs less, removes administrative difficulties and increases the number of available methods. Untied aid helps to increase the country potential in management of resources and provide for procurement of goods and services. The figures on the untied aid are based on the voluntary calculations by donors-members of the DAC/OECD.

There is no reporting on tied and untied aid in Belarus though in majority the aid to this country is tied. **This is why evaluation of this indicator for Belarus is impossible.**

2.3 HARMONISATION

This principle of the Paris Declaration means that the Donors align their programmes in accordance with the result-oriented development priorities and strategies and established by the Partner-States. Implementing their Programmes the Donors use the systems operating in the Partner-States, providing support to increase the capacities to strengthen these systems and not set their own parallel systems. Partner-States implement corresponding reforms to allow donors use such systems.

Indicator 9. Use of common arrangement or procedures.

Great number of projects often leads to fragmentation of aid. Most effective is use of programme approach with donors using joint mechanisms to support country priorities.

Within this indicators the following goals are envisaged:

- Support to the country programmes with common goals and structure;
- Use by Donors of the local programme management systems;
- Coordination and harmonisation of aid by donors.

Not all the aid provision approaches are classified as programme approaches. There are criteria to define programme approach:

- The leading role by the Partner-State or organization in programme management;
- Single comprehensive program and budget structure;
- Formalized process of coordination between donors and harmonisation of reporting, budgeting, financial management and procurement;
- Use of the local programming instruments, financial management, monitoring and evaluation.

The program approach includes direct budget support (general and sector budget support), project support in the context of sector approach, project assistance in a joint basket of resources? Provision of aid within a general ITA agreement.

Below are the questions to be replied for the evaluation of this Indicator:

How much ODA did you disburse in support of initiatives adopting programme-based approaches in calendar year 2010? Please provide information for the following components of PBAs:

Qd15. Direct budget support provided in support of PBAs? USD = may not be accounted

Qd16. Other forms of assistance provided in support of PBAs? USD = \$5 300 000

To measure this indicator the following formula by the OECD Secretariat is used:

$$\text{Indicator 9 (\%)} = 100 \times \frac{Q^{d15} + Q^{d16}}{Q^{d1}} = 100 \times (5\,300\,000) / 27\,906\,860 = 19\%$$

Thus Indicator 9 for Belarus makes 19%.

Indicator 10. Joint missions and country analytic work.

Indicator 10a. Joint missions.

One of the indicators of joint agreed activity may be considered holding joint missions. Organization of such missions is the evidence that the Donors cooperate with each other. Besides that joint missions decreases time and efforts needed for the Government partners for organizing them.

Within this Indicator the following goals are supposed to be reached:

1. Lower transaction expenses:

- lower expenses for the Partner-States in respond for donor's request;
- observation of timing when missions are not held.

2. Better harmonisation:

- Donors coordinate their activities and avoid mission duplication;
- Common approach to Partner-States.

The following types of Donor missions may be held locally:

- Donor missions, including project drafters, evaluators, sector evaluation teams;
- International trips, often from a Donor's Headquarters;
- Missions by request to meet officials (including local authorities).

Besides that coordinated missions may be held when two or more donors work together or one donor in the interests of another.

Below are the questions for the donors to answer to evaluate this Indicator:

How many donor missions to the field were undertaken in calendar year 2010?

Qd17. Number of missions: 9

Q^d18. How many of these were co-ordinated - may not be accounted

In order to facilitate consolidation of results by the Donor Focal Point, please list below for each joint mission counted in Qd18

the date, description and list of other donors with whom the mission was undertaken.

To measure this indicator the following formula by the OECD Secretariat is used:

$$\text{Indicator 10a (\%)} = \frac{100 \times Q^d_{18}}{Q^d_{17}} = 100 \times \frac{\text{may not be accounted /9}}{\text{may not be accounted}}$$

It is rare the joint donor missions are practiced in Belarus. This is why such missions are not accounted. This is why **Indicator 10a may not be defined.** At the same time donors' missions are held with participation of the Belarusian side in most cases. According to donors in 2010 seven out of nine donors' missions were held with coordination and participation of the Belarusian side which makes **77.8%**. besides that during the missions to Belarus donors all the time hold meetings with each other for coordination and avoiding duplication.

Indicator 10b – Joint country analytic work.

Cooperation of Donors in country analysis is also a good indicator of agreed actions. Such analysis is used for strategic dialogue with the Government of the country and this is why its joint implementation allows to cut transaction expenses significantly.

Within this Indicator the following goals are supposed to be reached:

1. Lesser transaction expenses:
 - Common understanding of analysis between donors;
 - Avoiding duplication;
2. Strengthening coordinated approach:
 - Promoting understanding between donors;
 - Stressing the analysis done by the Partner-State.

Analytical work is seen as the analysis and advise necessary for strengthening of political dialogue. It includes diagnostic overview, country or sector research and strategies, thematic research. Coordination of joint analytical work is done:

- By two or more donors working together;
- By one donor in the interests of another;
- Done in cooperation with the Government of a Partner-State.

Below are the questions for the donors to answer to evaluate this Indicator:

How many country analytic works did you undertake in calendar year 2010?

Qd19. Number of works: **24**

Q^d20. How many of these were co-ordinated:

- with two or more donors working together – **no data available**
- by one donors acting in the interests of another – **no data available**
- with the Government - **23**

To measure this indicator the following formula by the OECD Secretariat is used:

$$\text{Indicator 10b (\%)} = \frac{100 \times Q^{d20}}{Q^{d19}} = 100 \times \frac{23}{24} = 95.8 \%$$

The result making 95.8% is not exactly correct because there are no data on the joint analytical works of the Donors on Belarus, but this does not mean that such works have not been done (i.e. *no data* does not mean 0%). The calculation is done only for the analytical activities done by donors together with the Government and it shows that the ITA donors do their analytical work mostly one by one but in cooperation with the Government of Belarus.

2.4 MANAGING FOR RESULTS

This principle of the Paris Declaration means that the Partner-States commit themselves to use the principle of being oriented at result on all stages of development programmes implementation – from planning through implementation and to evaluation. Donors in their turn stick to the priorities, aims and results set by the Partner-States and work in close co-ordination with other donors to strengthen the existing institutions and systems of the Partner-States and to increase their capacities in terms of planning, project and programme implementation, and reporting the results and evaluation of the development process.

Indicator 11 – Results oriented frameworks.

The Paris Declaration obliges the Donors and Partner-States to manage and implement aid in the way to focus on achievement of desired results and better decision making. In particular the Partners commit to strengthen ties between strategies and budgets and try to create result oriented reporting and evaluation systems; Donors – to tie country programming with the expected results, agree them with the monitoring and evaluation structure of Partner-States and harmonise requirements to reporting; Partners and Donors together – to jointly strengthen required capacities.

Indicator 11 measures the level of implementation of the commitments by partners to create necessary ODA structures.

Within this Indicator the following goals are supposed to be reached:

Increase of the number of Partner-States with implementation evaluation structures which:

- Rely on timely and full information on mid- and long-term strategies;
- Transparent and make information systematically available to those concerned;
- Track manageable number of initial, preliminary and final indicators and draft joint reports for officials and external partners.

The evaluation of Indicator 11 was done by the World Bank on 5-grade scale (1 to 5 where F=1 point and A=5 points), based on the replies of Governments on the questions in Questionnaire. The following criteria were used as the base for evaluation:

- 1) Quality of drafted information;
- 2) Access of concerned to the information;
- 3) Coordinated monitoring and country-level evaluation.

Evaluation of each criterion on 5-grade scale means:

- 1) Low activity: because of various reasons including political development, limited opportunities and force majeure, the activity is practically absent.
- 2) There are some elements of activity: there is a background for progress whether in present condition or in defined plans;
- 3) Actions taken: there is some progress however not sufficient and there is ground for further progress;
- 4) Developed activity: serious actions have already been undertaken though further actions necessary;
- 5) Sustainable level of activity: there no warning signs of possible worsening, expectations are wide that the achieved progress is sustainable.

Below are the questions for the Government to answer to evaluate this Indicator:

Basic Information:

Q[#]16. Is there a monitoring and evaluation (M&E) framework in the national development strategy?

If Yes, which page(s) of the national development strategy includes the M&E?

Then, please go to Q[#]17.

If No, please explain the stage of preparation to develop the M&E framework for the national development strategy, if any.

Then, please go to Q[#]20.

Q[#]17. Please describe the institutional responsibilities (e.g., data collection, analysis and reporting) of the M&E framework and the co-ordination arrangements among ministries.

Q[#]18. Does the M&E framework have comprehensive sector coverage?

If Yes, please check all the sectors covered in the national development strategies:

- | | |
|-----------------------------|-----------------------------------|
| Education | Banking and financial services |
| Health | Business and other services |
| Water supply and sanitation | Agriculture, forestry and fishing |
| Transportation | Industry, mining and construction |
| Communication | Energy |

Others (please specify):

Q[#]19. Please check the most appropriate one with regard to geographical coverage of data collection for the national development strategy:

Entire country covered	Most of the country covered
Half of the country covered	Only part of the country covered
Other (please explain):	

Q[#]20. Is the progress against the national development strategy reported in a unified way?

If Yes, in which form? Also, please provide us with web addresses:

Progress report to the national development strategy

Separate monitoring report

Others (please explain):

Also, how often?

Quarterly	Semi-annually	Annually
Other (please explain):		

Q#21. (a) Is there comprehensive data coverage for qualitative and quantitative targets in the national development strategy?
 (b) What % of quantitative indicators has baseline-data?

Q#22. Please check the main data sources and their frequencies of data collection for monitoring the national development strategy:
 Population census. (Frequency:)
 Household survey. (Frequency:)
 Gross Domestic Product. (Frequency:)
 Poverty survey. (Frequency:)
 Labour survey. (Frequency:)
 Others (please explain together with their data frequency):

Q#23. Does data have high quality and reliability to meet M&E demands from the national development strategy in terms of accuracy, timeliness and usefulness?
 If Yes, please describe how quality and reliability is ensured:
 If No, please describe key challenges to improve quality and reliability:

Q#24. Please describe the evolution/development of data in terms of frequency, geographical coverage, sectoral coverage, accuracy, and the process for collection and analysis of data over the past 10 years?
Stakeholder Access to Information:

Q#25. Is the national development strategy (and any progress report) publicly available?
 If yes, (i) how is it disseminated (please check all relevant answers)?
 Internet (please include web links).
 Electronically
 Hardcopy
 Others (please specify):
 (ii) how many local languages is it translated into?

Q#26. Is public expenditure data publicly available?
 If yes, (i) how is it disseminated (please check all relevant answers)?
 Internet (please include web links):
 Electronically
 Hardcopy
 Others (please specify).
 (ii) how often is it updated and made public (please check the most relevant answer)?

Monthly	Quarterly	Semi-annually	Annually
Other (please specify):			

(iii) how many local languages is it translated into?

Q#27. Please describe the evolution/development of stakeholder access to information (especially national development strategy and public expenditure data) over the past 10 years in terms of how widely it has been made available, how frequently it is updated, and quality of its contents?

Co-ordinated Country-Level Monitoring and Evaluation:

Q#28. Does the national M&E system track input, output and outcome indicators identified in the national development strategy?
 If Yes, please describe how the national M&E system tracks them:

Q#29. Do policy makers and line ministries use the M&E reports?
 If Yes, please describe how policy makers and line ministries use the reports:

Q#30. Please describe the evolution/development of the national M&E system over the past 10 years.

To evaluate the numeric data for Indicator 11 let us answer to the three questions above: quality of drafted information; access of concerned to this information; co-ordinated monitoring and evaluation on country level.

Quality of drafted information. In Belarus the National Database of Social and Economic Indexes is created and active (BelarusInfo)²⁰. It has been created to track on national and regional levels the trends in the area of human development and achievement of the Millenium

²⁰ <http://belstat.gov.by/homep/ru/BelarusInfo/Product%20ru.htm>

Development Goals; to assist drafting national programmes and action plans. This database is created by the National Committee for Statistics of the Republic of Belarus with support of UNICEF and UNDP in Belarus. BelarusInfo is designed using technology DevInfo provided by the World Bank and recommended for use by the UN system organisations.

Use of DevInfo technology has let to bring the basic statistic data into a single and convenient national database BelarusInfo containing 146 parameters classified by sectors and classes. 22 of them are integrated into the global DevInfo database and correspond to the parameters selected for inter-country comparison in terms of reaching the Millennium Goals.

BelarusInfo contains information both on global parameters for the Millennium Development Goals and also on the parameters to demonstrate demographic situation and social-economic development of the country, its regions and capital city, situation with right of women and children from 2000 on.

Access of those concerned to information. BelarusInfo provides its users long-term dynamic graphs of the basic demographic and social-economic data through simple and convenient tool to process these data. BelarusInfo provides its users simple and understandable interface which allows to get data as tables, graphs or maps after only five simple steps. The final data may easily be integrated into standard MS Office application files: Word, Excel, PowerPoint etc.

The information from the BelarusInfo database is available on the official site of the National Committee for Statistics of the Republic of Belarus (<http://belstat.gov.by>). The information is updated on annual basis after obtaining annual statistics. These are public offices, research organizations, NGOs and public who may be users of BelarusInfo.

Information on public spending is open in Belarus. The Law of the Republic of Belarus on the national budget for every coming year and information on its implementation are placed in a web-pages of the Ministry of Finance (www.minfin.gov.by), Portal of the National Legislation Centre of the Republic of Belarus (www.pravo.by) and others/ They are also available in print form in mass-media. The data on the budget and taxes in format of the Special standard of Data Distribution of the International Monetary Fund (IMF) are on monthly basis placed on the sites of the Ministry of Finance and the IMF, quarterly – within the State finance statistics (IMF). Information on execution of budget in a shortened version monthly and in full version quarterly also is published on the site of the Ministry of Finance, on execution of local budgets is published in Mass media. Information on public spending is also published in statistics digests of the BelStat (Committee for Statistics), Inter-Governmental Statistic Committee, Commonwealth of Independent States and in other sources.

Co-ordinated monitoring and evaluation on country level.

Statistics is provided in full and lets hold monitoring and evaluation. Data provided by BelarusInfo may be used for inter-country comparison. The national database of the social and economic parameters BelarusInfo contains both global achievements of the Millennium Development Goals and data describing the demographic situation and social-economic development of the country, situation with right of women and children.

All the data are classified by aims and tasks within the Millennium Development Goals:

1. Eradicating extreme poverty and hunger;
2. Achieving universal primary education;
3. Promoting gender equality and empowering women;
4. Reducing child mortality rates;
5. Improving maternal health;
6. Combating HIV/AIDS, malaria and other diseases;
7. Ensuring environmental sustainability.

For each of the goals there corresponding tasks and indexes defined, which allows evaluating the progress in achieving them.

Classification of the indexes on the Millennium Development Goals lets a user to select a goal and/or task important for him/her and see what indexes demonstrate the level of its achievement, learn quantitative data of this index in dynamics for a period, starting from 2000.

Simultaneously there is a classification of indexes by classes and sectors for which the following groups are envisaged:

- demographic (population, life expectancy);
- health protection (maternal health, HIV/AIDS, public health, immunization, breast feeding, malaria, tuberculosis);
- education (literacy, primary education, secondary education, higher education);
- economics (incomes, employment, industry, expenses, trade);
- environment (pollution, natural resources);
- gender equality (equal opportunities);
- social protection (child labor, migration of population).

All the country is involved in collection the data for the national strategy. The major source of the data for the national development strategy are: census, households statistics, volume of the GDP, research of the labor market and other.

Census. According to the *Recommendations of the DAC on the Census and Dwelling Fund* censuses in Belarus are held in regular intervals. According to the Law of the Republic of Belarus No. 144-3 of 13 July 2006 *On the Population Census* this is done not less than once in ten years.

The last census in the Republic of Belarus was held from 14 to 24 October 2009. The census was done in traditional way by questioning of each resident of the country by an agent.

Household statistics. The public statistical offices make researches of households on various aspects such as level, quality and conditions of living to evaluate the level of poverty, to study the problems of employment and private economies of citizens living in the countryside.

The following data are used as the background for the statistics for the households:

- final results of the latest census in the Republic of Belarus (five years after the census);
- information from the Central Electoral Commission;
- data of household registration.

Information from the Central Electoral Commission and data of the household registration are updated annually.

The following data are used as the background for the statistics on employment:

- final results of the latest census in the Republic of Belarus;
- data of household registration.

Data of the household registration are updated annually

Sampling of the private economies of citizens residing in the countryside is random mechanical.

Background for the sampling is information for household registration: areas of the plots of land and conditional number of cattle.

The sampling of the private economies is updated once in five years.

To increase the quality of sampling of the private economies for their living conditions on the last stage of the sampling procedure actualization of the addresses of the households is done by the specialists.

To increase the quality of sampling of households to study the employment problems in 2012 actualization of the households was done:

- by the specialists of public statistical offices on local level on the last stage of sampling;
- by interviewers during a preliminary round.

To increase the quality of sampling of the private economies of citizens residing in the countryside a random sampling method is used.

As the ground for the sampling the data of household registration are used: size of land plots and conditional number of cattle.

Sampling of households is done once in five years.

To increase the quality of sampling of households on their living conditions annual actualization is done by making a listing of household addresses by statistic specialists.

To increase the quality of sampling of households for the study of employment problems for 2012 actualization of household addresses was performed:

- by the specialists of public statistical offices on local level on the last stage of sampling;
- by interviewers during a preliminary round.

To increase the quality of sampling of the private economies of citizens residing in the countryside a calculation of standard (absolute and relative) errors is done for each indicator.

Random sampling of households to measure the living conditions there is an annual *Research on the Population Living Conditions* and *Statistic measuring information and communication technologies (ICT)*. The information obtained during the research is used for making accounts in sector *Households* in the system of national accounts and for calculation of the consumer prices for goods and services.

Random sampling of the households to study the employment problems is done since 2012 four times a year by the situation for the third week of the second month of the quarter: February, May, August, November. The research week goes from Monday to Sunday inclusive.

Random sampling of the economies of the citizens residing in the countryside is done annually starting from 2011 to obtain data for statistics in sector *Agriculture*. The information obtained during the research is used to study the level of development of private economies of the citizens residing in the countryside, obtaining data of agricultural production in private economies of citizens residing in the countryside, calculation of gross agricultural production, drafting balances of food resources, for accounting in the sector *Households* in the system of national accounts.

Data on the Gross National Product. The data is based on the statistical research; report on execution of the budget of the Republic of Belarus (revenues, expenses); Balance of payments of the National Bank of the Republic of Belarus; results of random sampling of private economies of the citizens residing in the countryside, other administrative sources and expert evaluations. The data is provided on monthly, quarterly and yearly basis.

Research of the labor market. The main sources for drafting the balance of labor resources of the Republic of Belarus are the forms of government statistic reporting collected from organizations; random sampling of households to study the employment problems; information from the Ministry of Labor and Social Protection of the Republic of Belarus, Ministry of the Taxation and Collections of the Republic of Belarus, Ministry of Interior of the Republic of Belarus, Ministry of Foreign Affairs of the Republic of Belarus. The Labor balance is drafted annually.

Other. Index of consumer prices is calculated on monthly basis to correct the incomes of population with account of inflation which defines the areas it embraces. Index of consumer prices

is calculated based on the results of random state statistic observation of prices and tariffs for consumer products and services provided to the population. Registration of prices and tariffs is done by the experts of the territorial statistical offices in 31 cities of the country for 442 items of goods and services. Statistical data for agriculture, industry, construction, fuel and energy sector, dwelling are formed based on corresponding state statistic observations on monthly, quarterly and annual basis. Statistic information on external trade of the Republic of Belarus is done by the Committee for Statistic monthly based on:

- customs statistical information for external trade by goods of the Republic of Belarus (hereinafter – customs statistics) provided to Committee for Statistics by the State Customs Committee of the Republic of Belarus (hereinafter SCC);

- primary statistic data on external trade of goods;

- data on export and import of various individual goods not accounted by the customs statistics and obtained by calculation;

- information on the vehicles imported by citizens for private use.

The balances are drafted by the National Statistical Committee of the Republic of Belarus only on country level in absolute figures on quarterly basis (for individual goods) and annually for an approved list of industrial and consumer goods.

The sources of information used for drafting and calculation of balances are composite statistical data (information) obtained in standard form by centralized and non-centralized state statistic observations; custom statistics and other sources providing information availability of resources and their use. Besides that expert evaluations and calculations are used for drafting balances for some goods.

Evolution and development of data from the point of view of their collection, geographic and sector coverage, precision and the process of data collection and analysis for last decade.

Development of the Belarusian statistics is an integral part of the history of the country. For a very long period Belarusian statistics was a part of joint statistics of the USSR. After the its disintegration a need of radical reform appeared and in fact re-creation of Belarusian statistics:

- re-orienting economy to market relations, growth of private sector, appearance of new institutional entities caused the necessity to reform the statistical observation methods, creation of contemporary statistic registers, changing the system of statistic indexes;

- with Belarus becoming a part of the World community and starting of independent external economic activities demanded introduction of indexes and coding systems of technic, economic and social information in accordance with the international practice.

Thanks to cooperation with the international organizations and foreign statistical offices it became possible to implement three consecutive mid-term development programmes for the state

statistics and create the necessary legal base, system of statistical indexes and methodology for their forming based on international standards and rules.

The first radical change turning the national statistics to the principles of the international rules was performed from 1992 to 1995 within the National Programme of transition of the Republic of Belarus to the internationally used system of accounting and statistics.

Implementation of this programme provided for the transition from balance of people's economy to forming national accounts and calculation of GDP, introducing the latter as the main indicator to characterize the economic activities of the state. The Belarusian statistics managed to solve a set of important tasks such as forming statistics of prices; statistics of living conditions; creation of external trade statistics and SME statistics.

The first stage was followed by actions defined within the two reform programmes to improve the state statistics in the Republic of Belarus: for 2001-2005 and for 2006-2010. During the implementation of these actions one could through improving all the sectors of statistics create the ground for new sectors such as statistics of external trade of services; tourism statistics; structure statistics of enterprises; statistics of innovations and technologies.

Thus grounding on rich roots of the Soviet statistics and creatively using the standards and achievements of the international statistical practice the Belarusian statistics has done a serious step in its development, also having increased its role in social and economic life of the society.

Presently the official statistics is one of the most important instruments of state management both for drafting strategic development plans and for evaluation of this development.

For the first time in 1997 a founding document *On State Statistics* was adopted in Belarus.

The acting Law *On State Statistics* fully regulates the order of organization and performing the state statistics in the country and the relations in this respect.

In 2008 by the Order of the President of the Republic of Belarus the Ministry of Statistics and Analysis was reformed to the National Statistic Committee of the Republic of Belarus directly subordinated to the Head of the State.

This reform was caused by the necessity to unconditionally implement the basic principle of official statistics, i.e. independence of the state statistic activity to obtain absolutely independent and objective information on social, economic, demographic and ecologic situation in the country and regions.

This step has allowed increasing the effectiveness of the state statistical offices, strengthening their independence in work and also raising the public confidence in official statistic information.

One of the main directions of the activities of the State Statistical Committee is the annual activity to improve the statistic instruments. The goals of this work are:

- first, provide for quality of information, actualization of the system of statistic indexes with the account of the requirements of the Belarusian law, international standards and contemporary information requirements of society;

- secondly, provide the respondents with high-quality, well-built, convenient and well-filled statistics set of tools;

- third, minimization of the load for respondents in terms of the list of obligatory state statistic reporting and also easing the budget burden for this activity.

In the period from 2001 to 2011 the number of forms went down more than twice.

Information about the execution of budget including revenues with brief description of the current economic situation in the country is quarterly posted on the site of the Ministry of Finance starting from 2001 on.

Even before joining the Paris declaration Belarus formed its own national accounting and evaluation system for the ITA in 2003-2010. This system is based on a set of legal acts and presumes:

- Approval and registration of projects and programmes;
- Reporting;
- National monitoring (comprehensive expertise) ²¹.

The Comprehensive expertise²² may be seen as quite an effective mechanism of evaluation of implementation and results of ITA projects. But unfortunately the national and donors' monitoring systems work independently.

The performed analysis demonstrates that according to the classification of the World Bank in Belarus the situation may be described as “Developed activity: serious actions have already been undertaken though further actions necessary” which corresponds to grade 4 or B (see above). Thus **the Indicator 11 for Belarus is estimated as B.**

2.5 MUTUAL ACCOUNTABILITY

According to the Paris Declaration external assistance is most effective when Partner-States and Donors are accountable to the public and to each other in terms of use of the resources to achieve development goals. The Declaration also calls Donors and Partner-States to jointly evaluate the achieved progress in implementation of the agreed mutual commitments to increase the effectiveness of the External Assistance.

²¹ See for example, Implementation of the projects of the EU Cross-Border Cooperation Programme in Belarus. Minsk, Promcomplex, 2012.

²² Regulation of the Council of Ministers of the Republic of Belarus No. 1513 of 26 November 2004

Indicator 12 – Mutual accountability.

The Paris Declaration recognizes that for aid to become really effective, stronger and balanced mechanisms of accountability on all levels are needed. In particular, the Declaration calls Donors and Partner-States jointly evaluate using the existing country-level mechanisms the mutual progress in implementation of agreed commitments to increase aid effectiveness including those included into the Paris Declaration.

The Paris Declaration also welcomes initiatives of Partner-States to draft their own targets to increase the aid efficiency within agreed mutual commitments and progress indicators included into the Paris Declaration.

Indicator 12 reviews presence of country level mechanisms to mutually evaluate the progress in partnership in accordance with Rome or Paris Declarations or local plans and goals in terms of aid efficiency.

There are three criteria to implement:

- drafting an aid provision policy or strategies agreed by the Partner-State Government and Donors;
- defined goals in terms of aid efficiency on country level, for the Government of a Partner-State and Donors;
- evaluation of those goals done by both Partner and Donors during the last two years and discussed at a forum.

This Indicator measures the number of Partner-States performing mutual evaluation of progress as percentage of the total number of countries having taken part in this research. Indicator 12 is evaluated based on responds on three questions from the Questionnaire for Governments:

Qg31. Is there an aid policy or strategy agreed between the partner country government and donors? (Select Yes/No)
Qg32. Are there specific country-level aid effectiveness targets for both the partner country government and donors? (Select Yes/No)

Qg33. Has an assessment towards these targets been undertaken by both partner and donors in the last two years and discussed in a forum for broad-based dialogue? (Select Yes/No)

On global level Indicator 12 is calculated the following way::

$$\text{Indicator 12 (\% of countries)} = \frac{100 \times \text{number of states complying with three criteria (Qg31, Qg32, Qg33)}}{\text{Total number of states having taken part in the sutrvey}}$$

It is recommended to consult the Parliament, NGOs and Donors responding questions Q^g31 - Q^g33.

Questions on mutual evaluation of progress are based on deep research of mutual evaluation of the progress which is coordinated by the Department on Economic and Social Issues of the UN and

UNDP. This research was drafted under the auspices of the UN Development Cooperation Forum. It was held in the same time that the research on monitoring of implementation of the Paris Declaration in 2011.

A country is considered having completed mutual evaluation of progress when answer for each of questions Q³¹, Q³² и Q³³ is Yes.

In case answer for one or several of those questions is No then a country is considered to be not corresponding the criteria for mutual progress evaluation. As long as **the system** of mutual accountability in Belarus is not yet created and this means that the answer for one of the questions is No, consequently the overall answer is also **No, the mutual accountability has not yet been created.**

The results of the monitoring of Belarus in terms of Paris Declaration indicators are summarized in Table 3.

Table 3 – The results of the monitoring of Belarus in terms of Paris Declaration indicators

Indicators of the Paris declaration (PD)		Indexes for Belarus, 2012
No.	Name	
1	Operational development strategies	C or B*
2a	Reliable Public Financial Management Systems	3.5***
2b	Reliable Procurement Systems	C*
3	Aid flows are aligned on national priorities	21 %
4	Strengthen capacity by coordinated support	93.7 %
5a	Use of country PFM systems	0.6%
5b	Use of country procurement systems	0.18%
6	Avoiding parallel Project Implementation Units	In place 11* (7) pcs.
7	Aid is more predictable	20.7%
8	Aid is untied	Not accounted
9	Use of common arrangements or procedures	19%
10a	Joint Missions (Donors and Donors/Government)	Estimation is impossible/ 77.8%
10b	Joint country analytic work	95.8%
11	Result oriented frameworks	B*
12	Mutual accountability	Not created

* - evaluation of the authors of this report; *** - information of the WB in Belarus.

3. CONCLUSION

Table 3 shows that in terms of the most indicators the goals-2010 of the Paris declaration by Belarus are not implemented as well as by the majority Partner-States (see Table 5 for comparison of Belarus indexes with ones of some other Partner states). At the same time Belarus as the majority of countries participating in the monitoring of the Paris declaration in 2010 has reached

the goals on the fourth Indicator and exceeded necessary level on Index 10b. For Indicator 10a the index for joint Donors missions is equal to zero while the index for joint missions of Donors and the Government is higher than 77%. For another Indicator, 5a, index makes less than 1% (see Tables 3 and 4).

Table 4 – Main indexes of Belarus compared to the global goals for 2010 and results of their achievements

Indicators of the Paris Declaration (PD)		Results of Global Monitoring		Indexes for Belarus	
No	Name	Goal for 2010	Implemented ²³ (2010), %	current 2012	Achievement of the PD goals
1	Operational development strategies	min. 75% of Partner-States have operational development strategies (grade B or A)	37	C or B*	no
2a	Reliable Public Financial Management Systems	Half of Partner-States raise at least on grade on PFM/ CPIA implementation scale (Evaluation of country policies and institutional capacity).	No data	3.5 ***	**
2b	Reliable Procurement Systems	One third of Partner-States raise at least one point on 4-grade scale (D to C)	No data	C*	**
3	Aid flows are aligned on national priorities	Cut twice the volumes of external aid to the Government sector which is not reflected in the national budgets (at least 85% of aid to be reflected in budget)	41	21 %	**
4	Strengthen capacity by coordinated support	Half of the aid flows is implemented through coordinated programmes in accordance with the national strategies of Partner-States	107	93.7 %	YES
5a	Use of country PFM systems	All the donors use country PFM systems. Cutting two thirds of external aid to government sector without use of the country PFM systems.	No data	0.6%	No
5b	Use of country procurement systems	All the donors use country procurement systems. Cutting two thirds of external aid to government sector without use of the country procurement systems.	No data	0.18%	No
6	Avoiding parallel Project Implementation Units	Cut two thirds of parallel PIU	Cut for 1,158 entities	In place 11* (7) entities.	**
7	Aid is more predictable	Cut twice the volume of aid not provided within the financial year for which it had been planned	43	20.7%	No
8	Aid is untied	Ongoing progress	No data	Not accounted	No
9	Use of common arrangements or procedures	Two thirds of the volumes of the aid is provided within programme approaches	45	19%	No

²³ Aid Effectiveness 2005-10: Progress in Implementing the Paris Declaration: <http://www.oecd.org/dataoecd/25/30/48742718.pdf>

Table 4. Continuation

Indicators of the Paris Declaration (PD)		Results of Global Monitoring		Indexes for Belarus	
10a	Joint Missions (Donors and Donors/Government)	40% of Donors' missions in Partner-States are joint	19	(D-D) – impossible to evaluate/(D-G) -77,8%	No
106	Joint country analytic work	66% of country analytic work is joint	43	95.8%	Yes
11	Result oriented frameworks	Cut one third the share of states not having transparent and reliable evaluation systems.	20	B*	**
12	Mutual accountability	100% of Partner-States review joint evaluation of achieved progress	38	Not created	No

* - evaluation of the authors of this report; ** - страновые показатели ОЭСР не устанавливались; *** - information of the WB in Belarus; D-D – joint Donors' missions; D-G – joint missions by Donors and Government

Table 5 – Paris indicators for various Partner-States²⁴

Indicators		Partner-States/year						
		Moldova	Kyrgyzstan	Viet Nam	Tajikistan	Tanzania	Burkina-Faso	Belarus
No.	Name	2010	2007	2007	2010 (unofficial monitoring)	2007	2007	2012 (unofficial monitoring)
1	Operational development strategies	C	C	B	Not evaluated	B	C	C or B*
2a	Reliable Public Financial Management Systems	4,0	No data	4.0	Not evaluated	4.0	4.0	3.5 ***
2b	Reliable Procurement Systems	No data	No data	C	Not evaluated	B	Нет данных	C*
3	Aid flows are aligned on national priorities	92%	64%	80%	Not evaluated	84%	68%	21 %
4	Strengthen capacity by coordinated support	71%	74%	68%	88,44 %	61%	3%	93.7 %

²⁴ OECD data. See <http://www.oecd.org/dac/aideffectiveness/2008surveyonmonitoringtheparisdeclaration.htm>

Table 5. Continuation

Indicators		Partner-States/year						
		Moldova	Kyrgyzstan	Viet Nam	Tajikistan	Tanzania	Burkina-Faso	Belarus
5a	Use of country PFM systems	70%	14%	63%	30.5%	71.9%	45%	0, 6%
5b	Use of country procurement systems	71%	15%	59%	30.2%	69%	60%	0,18%
6	Avoiding parallel Project Implementation Units	18 entities.	88 entities.	58 entities.	28 entities.	28 entities.	131 entities.	In place 11* (7) entities.
7	Aid is more predictable	81%	64%	70%	Not evaluated	61%	92%	20,7%
8	Aid is untied	79%	99%	71%	Not evaluated	99%	92%	Not accounted
9	Use of common arrangements or procedures	51%	13%	58%	0.4%	61%	45%	19%
10a	Joint Missions (Donors and Donors/Government)	23%	35%	20%	23 ед.	17 ед.	17 ед.	(D-D) –impossible to evaluate/(D-G) -77,8%
10b	Joint country analytic work	38%	50%	54%	61 ед.	65%	45%	95,8%
11	Result oriented frameworks	B	C	C	Not evaluated	B	C	Impossible to evaluate
12	Mutual accountability	Y	No data	Есть	Not evaluated	In place	No data	Not created

* - evaluation of the authors of this report; ** - страновые показатели ОЭСР не устанавливались; *** - information of the WB in Belarus; D-D – joint Donors' missions; D-G – joint missions by Donors and Government

Composite country table

Number of Question from the Questionnaire for Donors (D)	Donor/answer						TOTAL
	EU	WHO	IOM	UNDP	UNICEF	UNFPA	
D Q ^{d1}	\$5 300 000	\$430 481	\$810 257	\$19 600 000	\$1 300 000	\$466 122	\$27 906 860
D Q ^{d2}							
D Q ^{d3}	\$1 650 000	\$430 481	\$567 997	\$17 020 000	\$1 170 000	\$218 635	\$21 057 113
D Q ^{d4}							
D Q ^{d5}	\$0	H/O	\$0	N/A	\$0	\$0	\$0
D Q ^{d6}	N/A	\$430 481	\$810 257	\$19 500 000	\$500 000	\$218 635	\$21 459 373
D Q ^{d7}	N/A	\$430 481	\$178 597	\$19 500 000	\$0	\$0	\$20 109 078
D Q ^{d8}	\$0	N/A	\$570 600	H/O	\$0	\$0	\$570 600
D Q ^{d9}	\$0	N/A	N/A	N/A	\$0	\$0	\$0
D Q ^{d10}	\$0	N/A	N/A	N/A	\$0	\$0	\$0
D Q ^{d11}	\$0	N/A	\$570 600	N/A	N/A	\$0	\$570 600
D Q ^{d12}	\$0	N/A	\$0	N/A	\$0	\$50 000	\$50 000
D Q ^{d13}	N/A	H/O	2	1	1	3	7
D Q ^{d14}	N/A	\$430 481	\$814 156	N/A	\$1 480 000	\$223 382	\$2 948 019
D Q ^{d15}	N/A	N/A	\$0	N/A	\$0	\$0	\$0
D Q ^{d16}	\$5 300 000	N/A	\$0	N/A	\$0	\$0	\$5 300 000
D Q ^{d17}	N/A	N/A	0	6 ед.	3 ед.	N/A	9 entities
D Q ^{d18}	N/A	N/A	0	6 ед.	1 ед.	N/A	7 entities
D Q ^{d19}	N/A	6	1	12 ед.	5 ед.	N/A	24 entities
D Q ^{d20}	N/A	6	0	12 ед.	5 ед.	N/A	23 entities

Note:
D Q^{d1} – How much ODA did you disburse at country-level in calendar year 2010?; **D Q^{d2}** – How much ODA did you disburse at country-level in fiscal year 2009/10? USD (response to Qd2 needed ONLY if the fiscal year of the country receiving ODA is not from January to December); **D Q^{d3}** – How much of this was for the government sector in calendar year 2010?; **D Q^{d4}** - How much of this was for the government sector in fiscal year 2009/10? USD (response to Qd4 needed ONLY if the fiscal year of the country receiving ODA is not from January to December); **D Q^{d5}** – How much ODA for the government sector did you disburse through other donors (ODA which is not captured in your responses to Qd1 – Qd4 above) at the country level in calendar year 2010?; **D Q^{d6}** – How much technical co-operation did you disburse in calendar year 2010?; **D Q^{d7}** - How much technical co-operation did you disburse through co-ordinated programmes in support of capacity development in calendar year 2010?; **D Q^{d8}** - In calendar year 2010, how much ODA disbursed for the government sector used national budget execution procedures?; **D Q^{d9}** - In calendar year 2010, how much ODA disbursed for the government sector used national budget reporting procedures?; **D Q^{d10}** - In calendar year 2010, how much ODA disbursed for the government sector used national auditing procedures?; **D Q^{d11}** - In calendar year 2010, how much ODA disbursed for the government sector used all three national procedures as defined above?; **D Q^{d12}** - How much ODA disbursed for the government sector used national procurement systems in calendar year 2010?; **D Q^{d13}** - How many parallel project implementation units did you make use of in calendar year 2010 in the provision of aid for the government sector?; **D Q^{d14}** - How much total ODA for the government sector did you schedule for disbursement in calendar year 2010?; **D Q^{d15}** - How much ODA did you disburse in support of initiatives adopting programme-based approaches in calendar year 2010? Please provide information for the following components of PBAs: Direct budget support provided in support of PBAs?; **D Q^{d16}** - How much ODA did you disburse in support of initiatives adopting programme-based approaches in calendar year 2010? Please provide information for the following components of PBAs: Other forms of assistance provided in support of PBAs?; **D Q^{d17}** - How many donor missions to the field were undertaken in calendar year 2010?; **D Q^{d18}** - How many of these were co-ordinated?; **D Q^{d19}** - How many country analytic works did you undertake in calendar year 2010?; **D Q^{d20}** - How many of these were co-ordinated?