



DAD PAKISTAN
DEVELOPMENT ASSISTANCE DATABASE

STANDARD OPERATING PROCEDURES FOR
DATA ENTRY AND VALIDATION

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I. Background

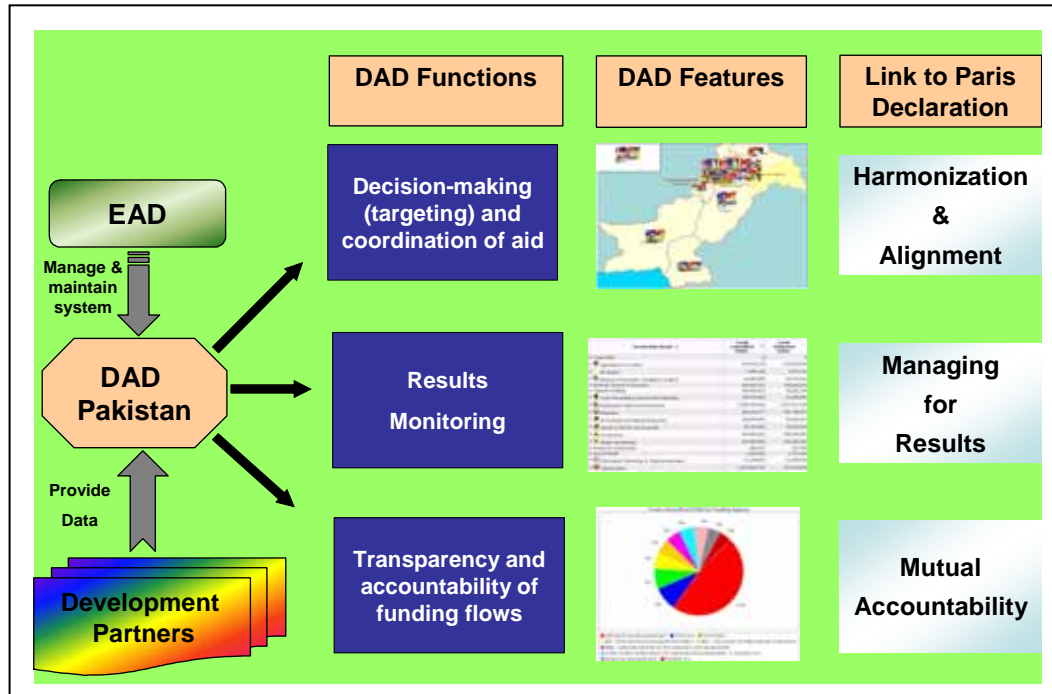
The Government of Pakistan is committed to the transparent, accountable and efficient use of external development assistance provided to Pakistan. In order to foster aid effectiveness, the Government of Pakistan has established a Development Assistance Database (DAD).

Capturing foreign development assistance, the DAD tracks project-level information on commitments, disbursements, and expenditures by donor, implementer, sector, and geographic location. (See also Annex 1: What is DAD?) This information is accessible to everyone under: www.dadpak.org.

The database has the twin goal of serving as a coordination tool to help lining up resources more closely with real needs and providing an instrument for accountability. The database can only meet these goals if all partners provide information on a regular basis to the Government. Based on the information available in DAD, the Government of Pakistan and other actors can follow the ODA activities in Pakistan.

The DAD can play a central role in improving aid effectiveness in Pakistan. It can foster harmonization of partners' systems and procedures, as well as promote alignment of external assistance with national development priorities. It can help to build trust, transparency and accountability. Hence, the effective use of DAD by the Government of Pakistan and its development partners is critical to the successful implementation of the Paris Declaration on Aid Effectiveness.

Figure 1: DAD Pakistan – General Concept



Consistency and accuracy of the DAD dataset are of utmost importance if the DAD is to realise its potential as an effective tool that promotes strategic decision making, effective monitoring, comprehensive reporting and enhanced accountability.

These guidelines define the standard operating procedures for data entry and validation, including the respective roles and responsibilities of government agencies and development partner agencies. They are intended to ensure that the information displayed in DAD Pakistan is frequently updated and can serve as reliable input for dialogue and decision making regarding aid allocations.

II. General Principles

In the spirit of the Paris Declaration, these guidelines are based on the following principles:

- ⇒ DAD is a national aid information management system and owned by the Government of Pakistan. It is managed and maintained by the Economic Affairs Division (EAD). EAD will ensure that the information captured in DAD is freely accessible to everyone.
- ⇒ Development partners of the Government of Pakistan are the custodians of the data and responsible for providing project-level information on their development assistance, including commitments, disbursements and expenditures by sector and geographic location.
- ⇒ Development partners are required to review the information related to projects funded and/or implemented by them frequently, at least on a monthly basis, and update the data if necessary.
- ⇒ The DAD is intended to capture the original source of funding and to correctly reflect the funding flow from the original source, over implementing and executing agencies to the actual use of funds to pay for development-related goods and services.

III. Definition of Terms

Of particular significance in tracking the flow of funds is the need to correctly identify the origin of financial support, and then to map the flow of these committed funds as they are disbursed and expended, often in partnership with other international or locally-based organisations.

Project funds often pass through the hands of a number of agencies before they achieve their anticipated outputs. Therefore, it requires that the role and status of each agency is well-defined and understood. This will ensure that each commitment and/or disbursement is entered only once, and that full and appropriate attribution is assigned to each agency, either as a financier or implementer of a project.

A mutually shared understanding and use of key definitions and concepts is a prerequisite for harmonization and alignment, as well as for ensuring that numerous individual interventions actually contribute to the achievement of the same objectives. DAD Pakistan will foster the standardisation of key terms such as commitment, disbursement and expenditure, as well as the recording of projects using harmonized sector and geographical categories. Hence, DAD Pakistan provides the common arrangement envisaged in the Paris Declaration for the planning, monitoring and reporting to government on development partner activities and aid flows.

To assist in using DAD Pakistan, please refer to the definition of terms set out below.

1. DAD Partner Terminology

DAD definitions and terminology is based on the standards used by the Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD).

The DAD identifies three main partner categories, summarised in Figure 1, below:

Funding source. The Government or umbrella organization who provide the funds for a project – e.g. Japan Government, UN, USA Government, UK Government, Oxfam International, Canada Government, etc. Clustered headings, e.g. international NGOs, are also provided in the DAD to provide more efficient grouping of smaller organisations. Pledges and commitments are usually reported or aggregated at the funding source level.

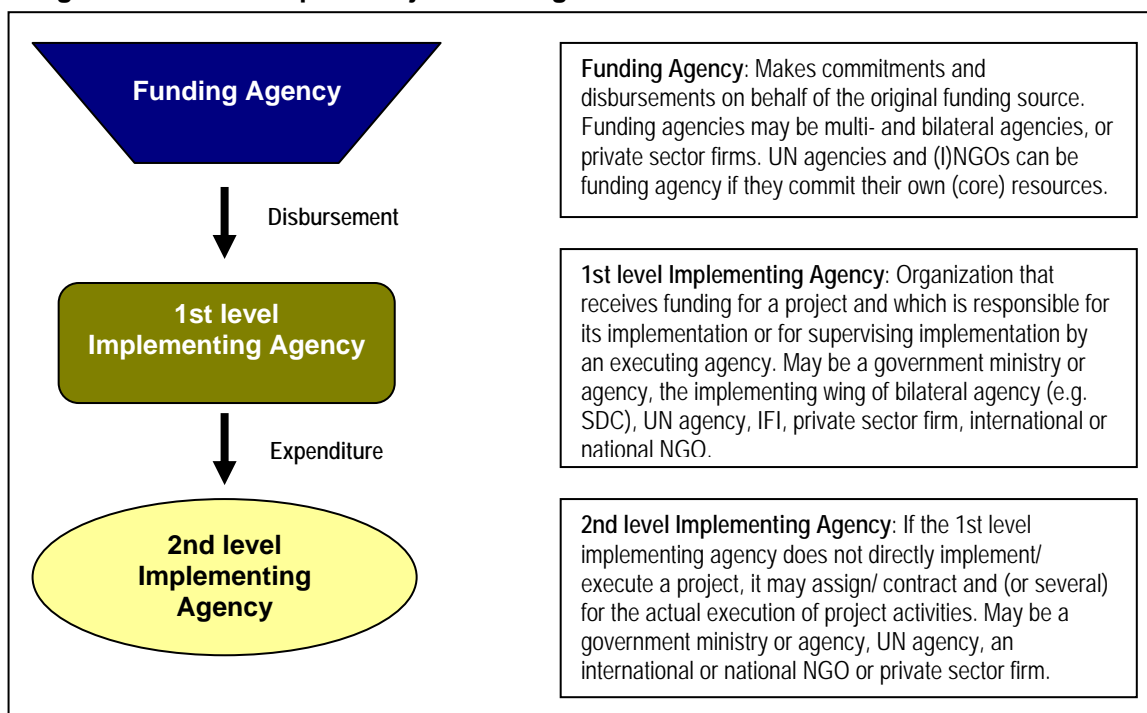
Funding Agency. The funding agency is the representative of the funding source that actually makes the financial commitment. In the case of the USA, for example, this might be USAID. For recording financial flows in the DAD, a funding agency can make commitments and disbursements. If it is implementing its own project directly (without any other partner), then it can also record expenditures under its own name.

Funding Source	Funding Agency
CARE International	CARE USA, Care UK, etc
Denmark Gov.	Danida
UK Gov.	DFID, FCO
UN	UNICEF, WFP, WHO, UNDP, etc.
ICRC	Turkey Red Crescent, American Red Cross, etc
Canada Gov.	CIDA

1st level Implementing Agency. The 1st level implementing agency receives funds from the funding agency for a specific project and is responsible for its implementation or for supervising its implementation. When the Government of Pakistan directly implements a project, the 1st level implementing agency will be a government agency, e.g. the (Federal) Ministry of Health. UN agencies (when they mobilise or receive funds outside of their core budgets), or international or national NGO partners may also serve as 1st level implementing agency for a project. Implementing agencies are expending funds, either when they pass funds to a 2nd level implementing agency, or when they directly implement activities under the project, i.e. spend the funds to pay for development-related goods and services to the benefit of a target group identified in the project document. Implementing agencies *cannot* commit or disburse funds according to the terminology used in the DAD.

2nd level Implementing Agency. This is the level in the DAD where expenditure takes place. Executing agencies are often lower tier government agencies or may be NGOs or private sector contractors. Once funds are passed to an 2nd level implementing agency they are recorded as expended, regardless of whether they have been used or not.

Figure 2: DAD Concept of Project Funding Flow



2. Financial Definitions¹

The Government of Pakistan uses OECD Development Assistance Committee (DAC) international standard definitions in tracking aid flows.

Pledge. Generally understood as, a non-binding announcement of an intended contribution or allocation by the donor. The grant or loan resources promised by a donor to Pakistan over one year or a fixed number of years.

Commitment. A firm obligation expressed in writing and backed by the availability of the necessary funds for a particular project, programme, sector, trust fund or to support the domestic budget. The **Commitment Date** is the date of that written agreement. Commitments are usually multi-year – i.e., they are designed to fund expenditures for several years.

Disbursement. The placement of resources at the disposal of the government, or an 1st level implementing agency. The **Disbursement Date** is the date at which those funds were made available – usually this involves the transfer of funds into the implementer's bank account or the draw down by the implementer of funds held in an account by the donor.

Expenditure. The actual spending of funds by the 1st level implementing agency to pay for project-related goods and services OR the placement of resources by the 1st level implementing agency at the disposal of a 2nd level implementing agency. The **Expenditure Date** is the date at which actual payment was made OR those funds were made available to the 2nd level implementing agency – usually this involves the

¹ Source: OECD DAC, *Creditor Reporting System*. "A commitment is a firm written obligation by a government or official agency, backed by the appropriation or availability of the necessary funds, to provide resources of a specified amount under specified financial terms and conditions and for specified purposes for the benefit of the recipient country."; "A disbursement is the placement of resources at the disposal of a recipient country or agency, or in the case of internal development-related expenditures, the outlay of funds by the official sector." <http://www.oecd.org/dataoecd/16/53/1948102.pdf>

transfer of funds into the bank account of the 2nd level implementing agency or the draw down by the 2nd level implementing agency of funds held in an account by the 1st level implementing agency or funding agency.

IV. Data Entry and Validation Process

The following guidelines define the standard process for entering, updating and validating data in DAD Pakistan. In order to ensure a continuous and coherent data entry process, as well as avoid double-counting and data gaps, any deviation from the procedure outlined below must be clearly defined in writing and agreed upon between the respective funding agency, 1st level implementing agency, 2nd level implementing agency and EAD. If you have any queries or would like to receive training in using DAD, please contact: dadpakistan@ead.gov.pk.

As a general rule, the funding agency has the main responsibility to enter the project records and update the information contained in DAD Pakistan.²

All partners that provide financial or technical assistance to Pakistan are requested to nominate one or several (depending on their number of projects) *Data Exchange Focal Point(s)*. Such focal point(s) will be responsible for reviewing on a regular basis whether DAD Pakistan accurately reflects each agency's contribution, and if not, to provide the necessary update. Agency focal point(s) can obtain usernames and passwords by registering at the DAD Website (www.dadpak.org) or by sending an e-mail to dadpakistan@ead.gov.pk.

Using their unique usernames and passwords provided by EAD, Data Exchange Focal Points will be able to update and edit only the data of their respective agency directly online on the DAD Website (www.dadpak.org).

For assistance provided by a funding agency without physical presence in Pakistan, the appropriate EAD Section will be responsible for entering and updating the relevant information in DAD Pakistan.

The **data entry process** is divided into two stages: 1) the creation of a new project record and 2) the update of the existing project information, particularly the funding flows (disbursements and expenditures).

1. Responsibility for the Creation of a New Project Record

A new project record should be entered into DAD Pakistan as soon as a respective commitment has been made - at the latest when an approved project document (PC-I) exists.

The first stage is particularly critical to avoid double-counting and therefore the allocation of responsibilities must be clearly defined.

In those cases where a project is funded by a single source, the funding agency normally holds the responsibility of entering a new project record.

In the case of trust funds, the administrator of the trust fund should overtake this responsibility, as it is considered to be the funding source due to its particular nature.

² EAD will enter and update information in DAD for development partners that do not maintain an office in Pakistan.

In case of **co-funded projects**, funding agencies must select a 'leading agency' that has the responsibility to create the project record and enter the general project information into DAD for the first time.

- Multilateral organizations participating in co-funded projects as funding sources should be normally considered as the leading agency, if not otherwise agreed.
- In case that there is no multilateral organization involved, then the funding agencies should decide internally on the distribution of responsibilities. Normally, the leading role will fall under the responsibility of the funding agency that is acting as a coordinating body or general manager of the project.

2. Responsibility for Updating Project Information

After creating a project file, each funding agency has the principal responsibility to enter and update its own commitments and disbursements, as well as expenditures made by the 1st level implementing agency.

In case of a co-funded project, funding agencies must select a 'leading agency' that has the overall responsibility of ensuring that the project records are updated timely. EAD is to be informed about any such arrangements in writing.

When the project is funded by several agencies, each agency's commitments and disbursements to the project are entered separately to the same project record.

If a project receives grant and loan financing, grant commitments, disbursements and expenditures should be entered first (marked as "grant" type) and then loan commitments, disbursements and expenditures should be also entered to the same project record page.

3. How to Avoid Double-Counting

It is absolutely essential that all partners involved in updating and entering data into DAD are extremely careful in avoiding the same project or fund flows from being entered twice. The risks of double entering funds can be minimized by taking the following steps:

- (1) **Check very carefully whether or not DAD already contains the project that you wish to enter/update.** To do so, you have to check under the funding agency's name and the 1st level implementing agency's name to see if the project has already been recorded. You can conduct this search in several ways:
 - a. Go to *List* view, use the *Filter* and enter your agency's name as: (i) Funding Agency or (ii) 1st level implementing agency. Set the view to list projects and commitments only.
 - b. Go to *List* view and select view by Funding Agency and then view by 1st level implementing agency to check if project already exists.
 - c. In the case of co-funded projects, call to the DAD data entry focal point of the other agency and double check that the project has not been entered and agree who will enter the project record for the first time. A list of all DAD data entry focal points can be obtain on request to: dadpakistan@ead.gov.pk
- (2) **If the project does not exist in the database**, the funding agency or the leading agency in the case of co-funded projects should enter it as a new project record and share this information with the implementer(s) and the other funding agency(ies), if any. If it is unclear who the leading agency is, call to the DAD data

entry focal points of involved funding agencies and agree who will enter the project record and who will update it. Please do not enter an existing project as a new project record or the same funds will be double-counted within the DAD.

- (3) **If the project already exists in the database but needs updating**, then the funding agency(ies) should enter the changes in agreement with the implementer(s). Please, remember that when the general project record exists in DAD, **each funding agency updates ONLY its own commitments, disbursements and expenditures**, if not otherwise agreed. In case of co-funded projects, it could be agreed that the leading agency that is overall responsible for the project undertakes that role.

4. Frequency of Updating DAD Data

As a general rule, Data Exchange Focal Person(s) should review the information in DAD on a regular basis, at least quarterly, and update the data if necessary. New projects should be entered immediately after the respective project agreement or document has been signed. The Economic Affairs Division (EAD) will monitor the frequent updating of data and proactively reach out to development partners in order to facilitate this process.

In order to ensure that data recorded in DAD can be used to inform the national planning and reporting process, there are two mandatory data entry/validation periods. The first period is from 1st February to 28th February, in order to allow the Government to take information on foreign assistance into consideration during the budget preparation. The second period is from 1st to 30th September, in order to allow the Government to prepare a comprehensive report on foreign assistance during the Government's financial year and publish it before the end of the calendar year.

5. Responsibility for Data Validation and Process Coherence

While development partners of the Government of Pakistan are the custodians of the data and have the primary responsibility for entering and updating the data captured in DAD Pakistan, the Economic Affairs Division (EAD) has the primary responsibility for maintaining the system and ensuring overall functioning and coherence of the processes and procedures defined in this document, including through mediation in case of disagreements between stakeholders and provision of training. In this respect, EAD will take the following actions:

- EAD Sections will prepare monthly DAD reports reflecting all ongoing projects funded/implemented by their respective development partners and validate the data by comparing it with other internal records.
- EAD Sections will share these reports with the respective partners and jointly review progress, as well as potential factors causing delay.
- EAD Sections will monitor 'slow moving projects' with regard to their disbursement and expenditure ratio, progress against stated key performance indicators, and indicated project end date, and contact the responsible funding and 1st level implementing agency(ies) accordingly.
- EAD will prepare quarterly sector-level reports and share them with the Planning Division, concerned line ministries as well as development partners in order to inform decision making on future resource allocations.

- EAD will ensure the adequate technical support and maintenance of DAD Pakistan.
- EAD will mediate between development partners in case of disagreements or uncertainties regarding roles and responsibilities concerning entering and updating data.

V. Procedures for Entering/Amending UN Project Data in DAD

UN agencies may be the funding agency to a project, the 1st level implementing agency of a project, or both.

The current international standard for recording and reporting all ODA and other official aid flows is that of the Development Assistance Committee (DAC) of the OECD. The [DAC Creditor Reporting System](#) (CRS) records these flows as follows:

CRS/Aid comprises data on official development assistance (ODA) and official aid (OA) activities in developing countries and countries in transition. DAC Members' reporting covers their bilateral ODA/OA. ***Data on aid activities financed from multilateral institutions' regular budgets are included in the database to the extent possible to improve the system's capacity for sectoral and geographical analysis. Financing of specific projects executed by multilateral institutions ("non-core funding", also called "extra-budgetary funding") is classified as bilateral.***³

This means that, where a UN agency uses its core resources, it counts as "funding agency", according to the terminology used in DAD Pakistan. However, where a UN agency mobilizes funding from a multi- or bilateral partner (or through un-earmarked funds from OCHA) the original source of that additional financing must be recorded, while the respective UN agency must be recorded as "1st level implementing agency".

1. **If a project is financed from UN core resources**, the respective Data Exchange Focal Point needs to check if the project has already been recorded, and if so update the entry as needed. If the project has not been previously entered, the project should be entered as a new project.

Commitments and disbursements are recorded as being made by the UN agency on a given date. The UN agency may also be recorded as the implementing partner, or if the agency contracts another organization to implement the project, then that organization is recorded as 1st level implementing agency.

2. **If a project has been financed by funds received from another source** (e.g. a bilateral agency or through the Flash Appeal), the respective DE Focal Point needs to check under that Funding Source's or Funding Agency's⁴ name to see if the project implemented by the UN agency has already been recorded under that source (in the DAD 'List View', select Funding Agency and then view by funding agency to check if the project has been entered). If not, the data entry focal point of the respective funding agency should be contacted and requested to enter the project accordingly.
3. **UN as both Funding Agency and 1st level implementing agency:** the same project may receive an agency's core resources *and* receive funding from a bilateral or other funding source. In this case, the commitments and disbursements by each are entered separately within the same project record. The co-funding agencies should agree among themselves on who will enter and update the data in DAD.

³ See www.oecd.org/dac on-line databases for a full glossary and definition of terms.

⁴ Examples of bilateral Funding Agencies include USAID or DFID. Examples of Funding Sources include USA Gov, UK Gov.

4. **Funding provided from un-earmarked funds through OCHA:** where OCHA transfers un-earmarked resources from bilateral funding agencies to a UN agency, it is expected that OCHA will calculate (if necessary using pro-rating) the origin of this financing. Thus, if OCHA provides USD 1 million to UNHCR for a temporary shelter project, the source of the USD 1 million (e.g. Netherlands and USA) will be notified. UNHCR will be recorded in DAD as 1st level implementing agency and Netherlands and USA as the Funding Agencies. The respective project should be entered by the funding agency.
- ⇒ **Check very carefully whether or not DAD already contains the project that you wish to enter/update.**

VI. Procedures for Entering/Amending Multilateral / Bilateral Agency's Project Data in DAD

A Multilateral / bilateral agency may be seen as funding four types of projects: (1) those which it implements directly through its implementation wing, e.g. GTZ or SDC in case of a bilateral agencies; (2) those for which the multilateral / bilateral agency provides funding to an institution of the Government of Pakistan (GoP); (3) those for which it directly contracts an NGO or private sector firm; (4) those for which the multilateral / bilateral provides funding to a UN agency for implementation.

1. **Multilateral / Bilateral – direct implementation:** insert the name of the multilateral / bilateral agency as Funding Source (e.g. Canada Gov) and that of the implementation wing as the Funding Agency (e.g. CIDA) AND 1st level implementing agency. If the 1st level implementing agency in turn provides the funds to a second level implementer or Contractor (e.g. a Government agency, a private sector firm, UN agency, or NGO), then the name of the respective institution/firm should be entered as 2nd level implementing agency.
2. **Multilateral / Bilateral to GoP:** insert the name of the multilateral / bilateral agency as Funding Source (e.g. UK Gov) AND Funding Agency (e.g. DFID) and the name of the responsible Government agency (e.g. Ministry of Health) as 1st level implementing agency. In case a federal ministry passes the funding on to a lower tier government agency (e.g. Department of Health, Punjab), the lower tier agency would be entered as 2nd level implementing agency.

In case the Government of Pakistan is providing co-funding to the project, GoP would be entered as Funding Source and the respective Government agency (e.g. Ministry of Health) would be entered as Funding Agency AND 1st level implementing agency. The commitments and disbursements by the GoP and the multilateral / bilateral agency are entered separately to the same project record.
3. **Multilateral / Bilateral to Private Sector Firm or NGO:** insert the name of the multilateral / bilateral agency as Funding Source (e.g. UK Gov) AND Funding Agency (e.g. DFID). Insert the name of the firm or NGO as 1st level implementing agency. If the 1st level implementing agency (e.g. an International NGO) provides funding to a second level implementer (e.g. a Government agency, National NGO), then the name of the respective institution/firm should be entered as 2nd level implementing agency.
4. **Multilateral / Bilateral to UN Agency:** insert the name of the multilateral / bilateral agency as Funding Source (e.g. UK Gov) AND Funding Agency (e.g. DFID). Insert the name of the UN agency as 1st level implementing agency. If the

UN agency provides funding to a second level implementer (e.g. a Government agency, NGO or private sector firm) then the name of the respective institution/firm should be entered as 2nd level implementing agency.

⇒ **Check very carefully whether or not DAD already contains the project that you wish to enter/update.**

VII. Procedure for Entering/Amending INGO's Project Data in DAD

An International NGO (INGO) may be the funding source to a project, the 1st level implementing agency, the 2nd level implementing agency or all three.

- 1. INGO as Funding Source:** if the NGO funds a project from its own core resources (e.g. donations received), then the INGO is recorded as the Funding Source (e.g. Oxfam, International) and Funding Agency (e.g. Oxfam, UK) for the project. The commitments and disbursements are recorded as being made by the INGO on a given date. The INGO may also be recorded as the 1st level implementing agency and 2nd level implementing agency, in case it implements the project directly without involving a local NGO or other institution. If, instead, the INGO contracts another organization to implement the project, then that organization's name is recorded as the 1st level implementing agency.
- 2. INGO as 1st level implementing agency:** if the project is funded by a bilateral funding source or another funding source, then the commitments and disbursements to the project are recorded as being from the funding source(s) concerned, and the INGO is recorded as 1st level implementing agency.

⇒ **Check very carefully whether or not DAD already contains the project that you wish to enter/update.**

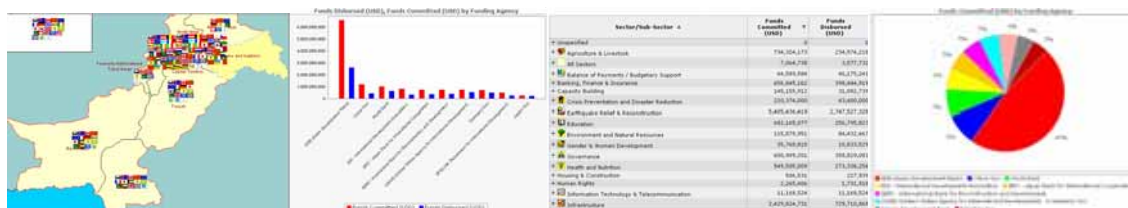
Annex 1: What is DAD?

1. What can DAD Pakistan do?

The Development Assistance Database (DAD) is an on-line database system that provides access to real-time information on project financing, implementation and progress towards results. This information is accessible to all under: www.dadpak.org. DAD allows quick generation of various reports, charts and maps displaying project-level information on foreign assistance by donor, sector and/or location at different levels of aggregation. Thereby, DAD Pakistan contributes to:



- **Aid Coordination:** by showing who is doing what and where – projects by sector, location and partner – it facilitates decisions on aid allocations;
- **Transparency:** by tracking funding flows from the initial source of funds over the 1st level implementing agency to the 2nd level implementing agency;
- **Planning:** by supporting comparison between demand and supply, it facilitates the analysis of gaps and needs, i.e. the extent to which support matches the priority needs identified by the Government;
- **Operations Management:** by showing bottlenecks (e.g. low expenditure ratio) and factors causing delay;
- **Results monitoring:** by tracking of financial resources (pledges, commitments, disbursements and expenditures) *and* of results, i.e. actual progress against indicators.



2. What can DAD Pakistan not do?

- **DAD is not an accounting tool.** While DAD Pakistan tracks external funding flows (commitments, disbursements and expenditures) at project level, it is not meant and not designed to distinguish between individual expenditure items, e.g. salaries, equipment, foreign exchange loss, etc. and hence cannot be used to generate detailed cash flow or operating statements.
- **DAD is not a dept management tool.** While DAD Pakistan can track loan and grant funding separately, it is not meant and not designed to measure and assess interest rates, resulting liabilities, re-payment schedules and economic return rates of individual loans.
- **DAD is not a project management tool.** While DAD Pakistan tracks project-level information, showing what is the project about, what is the budget, who is funding it, who is implementing/executing it, how much money has been released and actually used, what are the expected outputs and how much progress has been made, it is not meant and not designed to serve as project management tool, supporting, e.g., planning and monitoring of individual procurement processes, etc. As a database on foreign aid, DAD Pakistan is meant to allow easy and meaningful aggregation of information across projects, sectors, locations, etc. in order to show the bigger picture of external assistance in Pakistan.