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Evaluation Report 2.96

Norwegian Development
Aid Experiences
A Review of Evaluation
Studies 1986-92

*by Chr. Michelsen Institute
Development Studies and Human Rights*

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Aid Experiences
A Review of Evaluation
Studies 1986–92

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with Arve Ofstad

A report submitted to the Royal Norwegian Ministry of Foreign Affairs
by the Chr. Michelsen Institute
Development Studies and Human Rights

The Ministry does not accept any responsibility for the information
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Acronyms

ARAP	Accelerated Rainfed Arable Programme (Botswana)
BIWTA	Bangladesh Inland Water Transport Authority
BMZ	Federal Ministry of Economic Cooperation, Federal Republic of Germany
BSc	Bachelor of Science
CBA	Cost benefit analysis
CMI	Chr. Michelsen Institute, Bergen, Norway
COWI	COWI Consult, Denmark
CS	Country study (commissioned by MDC)
DAC	Development Assistance Committee (of OECD)
DANIDA	Danish International Development Agency
DDP	Dairy Development Programme (Zimbabwe)
DECO	Development Consulting A.S., Oslo
DERAP	Development Research and Action Programme, CMI
ENH	Emprese Nacional de Hidrocarbonetes (State oil company, Mozambique)
EIA	Environmental impact analysis
ER	Evaluation Report
ERR	Economic rate of return
FAO	Food and Agriculture Organisation
FINNIDA	Finnish International Development Agency
FP	Family planning
HASHI	Hifadhi Ardhi Shinyanga (Tanzania)
HIRDEP	Hambantota District Integrated Rural Development Programme (Sri Lanka)
ICDS	Integrated Child Development Services Programme (India)
ICRAF	International Centre for Research in Agroforestry (Tanzania)
IDM	Institute of Development Management (Tanzania)
IIED	International Institute for Environment and Development
INAHINA	National Institute of Hydrography and Navigation (Mozambique)
IMTEC	The International Learning Cooperative
IRD	Integrated rural development
LEEC	London Environmental Economic Centre
MCH	Maternal and child health care
MDC	Ministry of Development Cooperation (Norway)
MDU	Management Development Unit (MCH and FP programme, Bangladesh)
MFA	Ministry of Foreign Affairs (Norway)
MONAP	Mozambique Nordic Agricultural Programme
MONDEP	Moneragala District Integrated Rural Development Programme (Sri Lanka)
MSc	Master of Science
MW	Megawatt
NCERT	National Council of Educational Research and Training (India)
NGO	Nongovernmental organisation
NOK	Norwegian <i>kroner</i>
NORAD	Norwegian Agency for Development Cooperation
NORIMPOD	Norwegian Import Promotion Office for Products from Developing Countries
NVS	Norwegian Volunteer Service (<i>Det norske fredskorps</i>)
ODA	Overseas Development Assistance or Overseas Development Administration (UK)

OECD	Organisation for Economic Cooperation and Development
PEP	Production and Employment Project (Bangladesh)
RDF	Rural Development Fund (Kenya)
RESP	Rural Employment Sector Programme (Bangladesh)
RMU	Resources Mobilisation Unit
RSA	Republic of South Africa
RUDEP	Rukwa Regional Integrated Development Programme (Tanzania)
SADCC	Southern Africa Development Coordination Conference
SEK	Swedish <i>kronor</i>
SHISCAP	Shinyanga Soil Conservation and Afforestation Programme (Tanzania)
SIDA	Swedish International Development Authority
SSE	Sahel Sudan Ethiopia Programme
SWP	Social Welfare Programme (Sri Lanka)
TACOSHILI	Tanzania coastal shipping line
TAP	Technical assistance personnel
TAS	Tanzania shilling
TRDP	Turkana Rural Development Programme (Kenya)
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNICEF	United Nations Children's Fund
UNPFA	United Nations Fund for Population Activities
USAID	United States Agency for International Development
VAP	Village Agricultural Programme (Zambia)
WCED	World Commission for Environment and Development
WID	Women in development
WIDCO	Women in Development Consulting

Foreword

This study must be read for what it is, and not for what readers may think that it is. It is *not an evaluation of Norwegian development assistance*. The far more modest purpose of the study is to review what evaluations and other relevant documentation had to say about the performance of a selection of Norwegian development aid activities, at the time of the evaluation. Thus information on activities is *not up to date*, and is not meant to be so. Secondly, most of the evaluations and other studies consulted by the study team, do not present unambiguous and well founded conclusions about project performance. The study, therefore, is an analysis based on these evaluations and project reviews. Yet, as the study presents observations on a fairly large and representative collection of aid activities, it has been possible to draw some general conclusions on the basis of statistical analysis.

The study was commissioned by the Royal Norwegian Ministry of Foreign Affairs and has been carried out in two stages. During the first stage the study was undertaken by a team of four consisting of Arve Ofstad (coordinator), Andreas Danevad and Lise Rakner, all from the Chr. Michelsen Institute, and Anders Wirak from DECO Development Consultants. This team undertook most of the study, reviewed and analysed carefully information on 94 activities, and produced drafts for most of chapters 1, 2 and 3 of the report, as well as a complete draft of chapter 5. This study was incomplete, however, because the coordinator of the study was requested by the same Ministry of Foreign Affairs to take on another assignment simultaneously, which the Ministry considered more urgent. The incomplete draft report was submitted to the Ministry in July 1993.

Unfortunately it proved impossible for the coordinator to combine the two tasks, as he had then become full time employed by the Ministry, and the finalisation of the full report was seriously delayed. It was only in mid-1994 that Ole David Koht Norbye of the Chr. Mi-

chelsen Institute was engaged in the second stage of the study to complete and edit the report. He also reviewed all the documentation, but relied extensively on the information already processed. On this basis he filled the remaining gaps in the report. The final editor has therefore also influenced the analytical content and presentation of the study as it now is presented. He is solely responsible for its content and conclusions, even though he in the final stages of editing has benefited from very helpful, extensive and constructive comments from Arve Ofstad as former coordinator of the study.

The draft final report was submitted to the Evaluation Unit of the Ministry of Foreign Affairs at the end of August 1994, and revised versions were produced in September after constructive comments from the Ministry of Foreign Affairs which contributed to making the draft clearer and more specific. Then it was submitted to other parts of the Ministry and to NORAD for observations, and this final version has been revised taking into account comments received from the Ministry and NORAD as well as additional comments and suggestions from colleagues.

The editor wishes to express his thanks to the Ministry of Foreign Affairs for having been entrusted with this challenging and interesting task, for having provided the team with extensive documentation, and for having taken active part in discussing the approach to study. Warm thanks also to Inger A. Nygaard and Chris Jacob of Chr. Michelsen Institute for their invaluable assistance which enabled the editor to complete his assignment on time. Finally special thanks to Arve Ofstad who throughout the second stage of the study always has been willing to offer advice and comments to the editor.

Chr. Michelsen Institute, Bergen, Norway, 12th December 1994

Executive summary

This analysis is based on a systematic examination of material on Norwegian development assistance in evaluation reports undertaken by the Ministry of Development Cooperation or the Ministry of Foreign Affairs during the period 1986 to 1992, and other material on Norwegian aid from the same period, including some evaluations undertaken by other agencies, project reviews and a few other studies. The ten country studies commissioned by the Ministry of Development Cooperation between 1985 and 1990 have been consulted extensively. In the text we will often refer to the individual documentation as "studies". Based on this written material, we assess *what the various studies convey* regarding a few major questions of interest to development assistance in general, and Norwegian assistance in particular:

- * To what extent have these examples of Norwegian assistance reached the primary development objectives as spelled out in the government aid policy papers?
- * What do the studies disclose regarding the effectiveness of the actual development project in relation to its immediate objectives?
- * Are the costs of these aid operations reasonable in relation to the actual outputs?
- * How sustainable are the achievements of these Norwegian projects and programmes in financial, institutional and environmental terms?
- * Is it possible to detect systematic differences in goal attainment between the various types of aid operations based on the available written material?
- * Are there other factors which have an apparent influence on the performance of the various aid activities?
- * Lastly, how do the findings in the Norwegian evaluations compare with similar studies for other aid donors?

The evaluation material and its limitations

The analysis in chapters two to four of Norwegian aid performance is exclusively based on 82 documents

which provided background material for 94 different activities; for chapter five a number of studies on aid experiences in other countries, also listed in the references, were consulted. The interpretation of the content of the documents is ours, but as most documents were reviewed independently by three members of the team, we believe that we have obtained a relatively reliable representation of the material for our conclusions and avoided serious pitfalls.

The material in addition to the Norwegian evaluation studies was chosen from what was registered as relevant information on aid activities by the Ministry of Foreign Affairs. As the time available for our study was limited, we did not make any efforts to find additional sources, and even the material available was hard to digest during a short span of time.

It has not been possible to make a full assessment of whether the material presents an unbiased, representative picture of Norwegian development cooperation. Evaluations and other reviews have often been done of activities facing particular problems. However, for important activities which were not covered otherwise, findings in the country studies have been consulted. Therefore, all the ten largest country recipients of Norwegian bilateral aid are represented, each by several of the most important aid activities. Moreover, projects have been studied in all sectors which represent a significant proportion of bilateral development expenditure. Thus, the present review is the most comprehensive study undertaken of problems and achievements of Norwegian development aid.

The analytical methodology

The various documents have been studied in a systematic manner by means of an analysis chart which listed 29 aspects of the operations relevant to our study. In our attempts to fill in this chart, we discovered that the source material in most cases did not provide clearcut answers to our concerns. Under these circumstances, we often had to make use of more indirect statements and findings in the studies. It is also evident that evaluators and authors themselves faced the same problem, viz. to try to draw stringent conclusions from frequently inadequate written material and interviews. Therefore our attempt to synthesise findings on the quality of Norwegian development cooperation must not be regarded as a

scientifically well founded final judgment, in spite of our best efforts to be both objective and systematic in our work.

It should be added that all activities have been assessed on their performance at the time when evaluations, reviews and studies were undertaken, and no attempt has been made to update the information as it would have been utterly impossible during the time available. We realise that some activities have fared better and others worse after the studies were undertaken.

For these reasons the analysis of the material must not be interpreted for more than it claims to be, viz. illustrations of important sides of the achievements based on the available documentation, and not an authoritative picture of the results of Norwegian development assistance in general. The study does, however, give a broad picture of the challenges faced by the aid administration, and insight into why certain aid activities have fared worse than most of them while others have succeeded better.

The basis for our analysis is the principal evaluation components: *effectiveness, efficiency, sustainability, relevance* and *impact*. The relevance of aid activities was rarely questioned in our material. While impact analysis was virtually absent, we have nevertheless (in chapter two) analysed the results and possible effects of the activities as demonstrated in the studies.

The structure of the study

The four main chapters of the study deal with whether the activities are consistent with and have moved towards reaching the major Norwegian development objectives; whether they have been effective and efficient and have left sustainable results behind; which factors may explain the large differences in performance between individual activities; and finally how Norwegian experience compares with that of other aid agencies.

Norwegian development aid objectives and their achievement

In chapter two we have looked at two primary objectives of Norwegian development cooperation: promote economic growth both directly through support to productive activities, and indirectly by strengthening physical infrastructure which facilitates growth; and improve living conditions of the very poor, both direct-

ly and by improving health conditions. We have also looked at five additional objectives: promotion of training and transfer of knowledge; promoting the role of women in development; promoting responsible management of natural resources and the environment; promoting human rights and peace; and promotion of Norwegian interests in developing countries,

On *promotion of economic growth directly* through assistance to productive activities, the results of the projects examined appear to have been disappointing: the aid provided has only to a limited extent had a direct influence on production and productivity in agriculture, forestry, fisheries, mining, manufacturing and handicrafts. However, *the potential for economic growth* has undoubtedly been increased by Norwegian aid to a number of projects which aimed at strengthening of physical infrastructure and management in road and water transport, telecommunications, and electricity supply and distribution. For the time being no analyses of the impact of these investments on production and welfare were found in our documentation. Moreover, in chapter three we raise the question as to whether these successful achievements in all cases are sustainable.

On *improvements of the living conditions for the very poor* we have no real basis for assessment because of the complete lack of any well founded studies of the impact of the aided activities. We know that many poor people temporarily have earned extra income through work on development projects, but we have no data on the long term effects. It is also evident that Norway like other donors rarely can reach the very poorest of the poor. Health and family planning activities appear in general to function reasonably well, but we did find virtually nothing about how this has influenced health conditions and the number of child births. There are successful examples of assistance to education and training which often benefit poor people, but we do not know if better education and training have led to improved living conditions for many of them.

Education and training as tools for *transfer of knowledge* has been successful in many cases, but in others it is reported that it has not been sufficient to enable the recipients of aid to maintain and operate the assets which aid has provided, when the aid will cease. Technical assistance experts, volunteers and consultants have on the whole done good jobs, particularly in implementing projects, but they have in general failed to transfer knowledge to people who could replace them,

in many cases, however, also because the host countries have been unable to provide counterparts who could have received on the job training and afterwards might have been able to replace foreign personnel.

Promotion of the role of women in development is an ambitious objective in countries of a different cultural background. Our studies do indicate that the best way of reaching this objective is to assure that women will have their roles to play in all types of aided development activities. This strategy has only been followed to a limited extent, however. Projects in education, health, family planning and water supply have undoubtedly benefited many women, but for example in rural development projects, women have frequently not been brought into the activities. Special women oriented activities seem hitherto not to have had a strong impact, but have nevertheless in some cases helped to emphasise the role of women in the society.

The promotion of *responsible management of natural resources* and the *environment* is a recent major Norwegian aid objective, but even older projects have examples of good environmental impact. Yet, some represent a potential threat to the maintenance of natural resources.

The studies have in general not dealt with *promotion of human rights and peace*, except in so far as the social and economic rights of the poorest, the women and children also are parts of the human rights to be promoted.

Finally, direct efforts to *promote Norwegian business interests* in developing countries seem to have had little effect, particularly in the long run. In the short run Norwegians have derived benefits from commodity aid and deliveries to Norwegian projects, and contracts for consultancy services.

Performance in terms of effectiveness, efficiency and sustainability

In chapter three we have attempted to analyse all activities in terms of three basic concepts used by evaluators: effectiveness, efficiency and sustainability. *Effectiveness* is defined as "a measure of the extent to which an aid programme attains its objectives". In our study we limit ourselves to the immediate objectives which should be attained during the implementation of a project. This is a wider concept than *outputs* which are the

tangible results of a project (goods delivered, people employed, buildings and constructions completed), and includes increased farm output, additional school attendance, visits to clinics etc. *Efficiency* is defined as "an economic term which means that the aid uses the least costly resources necessary to achieve its objectives. In other words, the aid can gain the most result for its economic contribution". A proper measure of efficiency is only possible on the basis of a systematic and appropriate cost benefit analysis which preferable should be applied to alternative solutions. However, efficiency can also be used in a more restricted sense, viz. to assess if the inputs into an activity are provided as cheaply as possible. *Sustainability* is defined as follows: a development programme is considered to be "sustainable when it is able to deliver an appropriate level of benefits for an extended period of time after major financial, managerial and technical assistance from an external donor is terminated". We have looked at sustainability from three different angles: economic sustainability, viz. that financial resources will be forthcoming to continue the activity after foreign aid has ceased; institutional sustainability, i.e. that an institution that has been created or strengthened will be able to continue to function when aid is withdrawn; and environmental sustainability which means that an activity has not created environmental problems which will prevent it from continuing.

For 91 of the 94 activities which we have reviewed, we have found enough information to assess *effectiveness*, whether the activity has attained its immediate objectives or not. Both the original evaluators and our team have frequently had to use their own judgment, because it was not obvious from the outset what the "objectives" were in more precise terms. Moreover, many activities have multiple objectives, and it is not clear whether some of the objectives are more important than others, and hence if success or failure to attain a given objective should be given more or less weight than others. This is, for example, the case of commodity aid programmes. In spite of these methodological differences, it is quite evident from the studies consulted that there are great differences in the way objectives have been reached in the activities examined. Less than 15 percent of the activities is shown to have reached high or very high effectiveness. If we include "acceptable" effectiveness, however, exactly one half of the projects and other activities have performed reasonably well. In chapter three we present a number of illustrations of effective, as well as very ineffective aid projects and programmes.

In this way we provide some of the qualitative material that supports our more crude statistical findings. About 60 percent of the cases are in the "grey zone" as they have acceptable, mixed or uncertain effectiveness. We repeat that these figures apply to our case material and not necessarily to Norwegian development aid in general.

For three fifths of the activities reviewed the studies include some information from which to draw tentative conclusions about their *efficiency* or the cost-effectiveness. Only some studies contain an exact comparison of the planned costs of individual inputs into the activities, and what it actually cost to supply them. Even fewer studies include any analytical attempts based on, for example, a comprehensive cost benefit analysis which could tell us something about the relationship between the expected, and eventually realised, benefits and the costs involved. We have not come across any studies of alternative ways of reaching the same objectives. What we have tried to do is to interpret what the various studies express on the costs of the operations. Our findings that only 40 percent of the activities for which some information was available, appear to have been cost-effective must be seen against this background. We still believe that the result indicates that the cost issue should be given much more emphasis than in the past. In our view this would imply that projects and other activities should be designed in such a manner that an analysis of efficiency would be possible, and more attention should be devoted to efficiency in evaluations and project reviews. We will add that projects which were considered to have high or acceptable effectiveness also in almost all cases were regarded as cost-efficient. This suggests that we, or the evaluators, subconsciously may have looked upon an effective project as cost efficient or vice versa.

Also as regards *sustainability* the studies which we have consulted are not very specific. It should be pointed out that not all aid activities are necessarily meant to lead to specific results which can be expected to survive aid, but such cases are few. As regards *economic sustainability* less than half of studies of projects and activities includes some relevant information. On this basis we have found that only a minority, less than a fifth, of the projects for which some indications were available, can be regarded as having high or acceptable sustainability. These represent only 8 cases of the 94 reviewed by us. More information was available on *institutional sustainability* in our material; in fact for about 70 percent

of the activities. While economic sustainability depends on available money, institutional sustainability is built on trained and experienced manpower who can operate the organisation when foreign technical assistance is no longer there. Here the picture was somewhat more optimistic as we consider that nearly one third of the assisted institutions may prove to be sustainable. But as the purpose of much aid and in particular technical assistance is to build viable institutions, the apparent low rate of achievement is nevertheless disturbing. The question of *environmental sustainability* has been in the foreground of development assistance operations for less than about ten years, and older projects and studies would not emphasise this issue. Less than one quarter of our material deals with environmental effects. However, on that basis we have come to the optimistic conclusion that a clear majority of the activities which were assessed has either had positive effects on the environment or has not had any negative impact. Also in the case of sustainability we found a close link between high or acceptable effectiveness and high sustainability, and we will therefore emphasise that our findings, and those of the evaluators, on effectiveness, efficiency and sustainability may have influenced each other. But in the case of sustainability these findings are entirely logical: an activity which has met its immediate objectives, has certainly a better survival chance than one which has failed to reach its objectives.

Which factors may explain differences in performance?

In chapter four we have tried to find out if some specific factors appeared to have had a clear influence on the effectiveness, efficiency and economic and institutional sustainability of the activities studied. It was natural to start with the relationship between performance and the sector assisted, and between performance and the country in which the activity is undertaken. However, while our sample of activities as a whole is sufficiently large to permit meaningful statistical analysis, this is no longer the case when it is broken down by sectors or countries: the number of cases is then so small that a few very good or very poor cases may create a false picture of the sector or country context. Therefore the results of the analysis must be interpreted with care. No firm conclusions can be drawn from the material which nevertheless in some few instances portray some encouraging as well as some disturbing experiences. In attempting to analyse the impact of a second set of factors on performance, we could use the full sample as basis, and

the findings are therefore meaningful, but still subject to the general reservations due to weaknesses in the background material. This second set of explanatory factors is the quality of planning; the extent and quality of cooperation between donor and host country administrations; and the appropriateness of the chosen technology.

Our data show that there were *differences in apparent project performance*, in terms of effectiveness, efficiency, economic and institutional sustainability, *between countries*. The majority of aid activities studied in Sri Lanka, Botswana and Zimbabwe were assessed to function reasonably well, whereas the opposite was the case in Pakistan, Tanzania and Zambia. But as we consider that the sample of projects is too small, we can not draw any conclusions from the material. In addition, as there is no evident reason why, for example, it should be more difficult to carry out projects in Pakistan than in Bangladesh, we feel that differences between countries possibly is more influenced by the composition of the project portfolio and its quality, than by the geographical location.

The data also show that there are *significant differences between apparent performance of projects in the various sectors*. In this case we tend to attach somewhat more weight to the findings, as the small samples for the sectors are more homogenous than in the case of countries. Yet, no robust conclusions should be drawn from them. The most positive pictures were obtained for manufacturing, electricity and roads, but these are so much influenced by a few particular "successes" that it would be imprudent to draw the conclusion that these are easy sectors to work in. We were pleasantly surprised to find so many examples of good performance in the rural development programme area which internationally is regarded as being a treacherous field of activity, but there again the relatively small sample can give a wrong impression based on a few successes. The experience from telecommunication projects is also positive, but the number of cases is small. Health and family planning projects appear to function reasonably well, but in this particular area we would also have liked to have had some concrete information on their impact on health and family size.

The most disappointing sectors were agriculture, drinking water supply and sea and inland water transport. To our knowledge aid to agriculture has proven to be difficult for other aid donors as well, cfr. chapter five of the

present study. Therefore the apparently weak Norwegian performance in this area should not be taken as a proof of particular Norwegian incompetence. Even so it should be realised that the poor performance could also be due to weaknesses in the projects themselves. For some of the projects in this sector planning was weak. As regards water supply projects we recognise that it is a very complex sector due to physical problems combined with the poverty of the beneficiaries. But we were rather concerned by the fact that our examples of Norwegian assistance have done so badly in water transport where our country prides itself of having competence second to none. The same can be said about the, on balance, poor performance of projects in the fisheries sector. In education there is such a mixed bag of projects ranging from basic education of children to specialised training in Norwegian universities that it would be wrong to draw any conclusion from the data. Finally, our data shows poor performance for commodity aid; this is because most of the evaluations and reviews of such aid have assessed it on the basis of whether it has reached specific objectives, and have concluded that this was not the case. But as support to the recipient countries' balance of payments or government budget it has functioned as expected.

Thus on the whole we do conclude that project performance is not strongly related to recipient countries or sectors, although agriculture and rural water supplies could be singled out as more difficult than some other sectors. The relative success in manufacturing, electricity (and also telecommunications, based on one group of projects only) can be explained by the well known fact that "turn key" projects are relatively easy to implement. Their utility can only be evaluated after some years when we would know if the recipients have succeeded to operate the installations after foreign technical assistance has been withdrawn. As countries and sectors, in our opinion, cannot be singled out as strong explanatory factors, we turned our attention to three other factors: the planning process, the degree of cooperation with the recipient country's own organisations, and the appropriateness of the technology.

When we compare our data on project performance with the quality of planning, of cooperation with host country authorities, and of choice of technology, we found that in the majority of cases of poor project performance, *the quality of planning* had also been poor. It was disturbing to find that for the about 50 activities for which we found references to planning, it was consid-

ered to be poor in as many as two thirds of the cases. Thus in many instances performance has been acceptable or even high in spite of poor planning. Some times inadequate planning was clearly caused by hurried or incomplete preparations of aid activities. But even seemingly well prepared projects may involve poor planning if preparations do not take into account all factors that will influence the implementation of an activity. The studies which we have consulted provide a variety of examples of weaknesses in the planning process such as poor cost estimates, hasty project preparations based on sketchy studies, or over ambitious targets in relation to resources provided.

Also what we have called the *quality of cooperation* between recipient and donor appears to have a distinct influence on project performance, in some respects, particularly as regards sustainability, even more strongly than good planning. An important element contributing to better performance, is the strongest possible integration of an activity into the existing administration, as it also implicitly would lead to a better adaptation to the socio-cultural environment and the political structure of the host country.

The *quality of the technology* employed in the various activities appears to have contributed to higher cost-effectiveness and sustainability, while its impact on effectiveness is less obvious. Use of appropriate technology is a complex issue, because it is a well known fact that the host countries themselves often want to apply advanced technologies which afterwards may prove to be difficult and too expensive to operate under prevailing conditions.

Our findings on performance of Norwegian development activities compared with findings in studies of other donors' experiences

It is impossible to undertake an *exact* comparison between our findings and the findings in studies of aid operations by agencies abroad on the subject of aid *effectiveness*, viz. the extent to which projects and other activities have reached their immediate objectives. The reason is that the way in which project performance is assessed, certainly varies between different studies. We therefore have no firm evidence which shows that Norwegian activities have been less effective than others, even though some of the figures shown in chapter five might suggest it. The World Bank reports clearly better performance than we have found for Norwegian activ-

ities. Although this may be due to the more consistent and comprehensive planning of World Bank projects, it is possible that the World Bank's own evaluations of project performance may be somewhat optimistic.

As regards *efficiency*, however, it appears as if the World Bank is the only donor agency amongst those which we have looked into, which evaluates the efficiency of its aid operations in a systematic form, through cost benefit analysis. The studies in our material were extremely weak in their discussion of the cost-effectiveness of aided activities, but it seems as if other aid agencies, except the World Bank, are equally unable to analyse the cost-efficiency of their operations. The way in which the World Bank undertakes their analysis has been severely criticised, however, and the system is under revision. We have no firm data on the basis of which we can compare the cost-efficiency of Norwegian aid to that of other bilateral aid agencies.

Also as regards economic, institutional and environmental *sustainability* the analysis in international studies is rather uncertain. Only the World Bank systematically evaluates their operations after they have been completed; other aid agencies mostly evaluate and review them when they are in operation, and often because they need to find out how to improve performance. However, the indications which we have found in different studies are that the three aspects of sustainability are very problematic everywhere, also in the case of World Bank supported activities.

On the basis of our Norwegian material we did not find any convincing evidence that performance of aided activities in one *geographical region* tends to be better than in other regions. In several of the international studies which have been consulted, it is maintained that performance is clearly lower in Africa than in other regions and particularly in Asia.

We explored whether the performance of different projects depended on which *sectors* they were undertaken in. The review of Norwegian material showed that our examples of aided projects in the fields of agriculture, domestic water supply, sea and inland water transport and fisheries were less successful than those in other fields.. Our review of international studies confirmed that agriculture is a difficult field, but nothing special was reported upon for the other sectors which we found had been problematic in Norwegian aid. The fact that it appears to be easier to create physical structures with

the support of aid than to achieve other objectives was confirmed in the international studies.

The importance of *planning* was stressed in many of the international studies and it was observed that projects and programmes that had been poorly planned, also performed badly. In our review of international studies we did not find much clear reference to the importance of *cooperation* with host country authorities, but much emphasis on *contextual factors* which influence project performance. However, institutional weaknesses in the recipient countries are pointed out as a major problem, and this suggests that inability to cooperate with existing institutional structures, i.e. lack of close cooperation, also has led to disappointing performance of other donors' aided activities. The importance of the choice of appropriate *technologies* was also emphasised in the studies of other donors' aid experiences.

Final observations

The principal findings in our review of Norwegian experiences is that in spite of mixed results, many activities have led to results which are in conformity with

official Norwegian development assistance goals. In terms of effectiveness, the results are mixed, but many projects have performed well, but it is disturbing that so many activities have not attained their immediate objectives. The cost-efficiency appears to be weak in a majority of cases, and sustainability is equally unlikely or improbable in most cases, except in the case of environmental sustainability.

The major conclusions which seem to result from our analysis is on the one side that improved planning of development activities and better cooperation with the recipient countries, including giving them a stronger role in implementation of aided activities, are ways in which effectiveness, efficiency and sustainability might be improved. On the other hand we consider that certain steps must be taken in order to make evaluations of project performance more meaningful, such as better specification of measurable objectives, a system of cost and preferably cost benefit analysis of activities, including appraisal of alternative ways of attaining the objectives, and impact analysis of projects and programmes which have operated long enough to make such an analysis meaningful.

1. Introduction

The aim of this analysis is to systematically examine the material concerning Norwegian development assistance found in evaluation reports, a selection of project reviews and studies, and 10 “country studies”. Based on this written material, we assess *what the various studies convey* regarding a few major questions of interest to development assistance in general, and Norwegian assistance in particular:

- * To what extent have these examples of Norwegian assistance reached the primary development objectives as spelled out in the government aid policy papers?
- * What do the studies disclose regarding the effectiveness of the actual development project in relation to its immediate objectives?
- * Are the costs of these aid operations reasonable in relation to the actual outputs?
- * How sustainable are the achievements of these Norwegian projects and programmes in financial, institutional and environmental terms?
- * Is it possible to detect systematic differences in goal attainment between the various types of aid operations based on the available written material?
- * Are there other factors which have an apparent influence on the performance of the various aid activities?
- * Lastly, how do the findings in the Norwegian evaluations compare with similar studies for other aid donors?

The evaluation material

This study does not present any original data and the findings will purely be based on existing written material. Similarly, our findings and conclusions are drawn from the existing material, as we have not aimed to reassess the conclusions drawn.

The material can be separated into three distinctive sources. The first set consists of all evaluation reports commissioned and published by the Ministry of Development Cooperation (MDC)/ Ministry of Foreign Af-

fairs (MFA) between 1986 and 1992. Secondly, we have reviewed all the ten so-called “country studies”, commissioned by the MDC between 1985 and 1990. Thirdly, in order to further broaden the scope we included a number of selected project reviews and studies, as well as evaluations undertaken by other agencies.

The selection of project reviews, studies and other evaluations was based on the criteria that it evaluated a Norwegian financed project or programme which was not covered in the MDC/MFA evaluation reports; further that it was covered in one of the “country studies”; and lastly that it was carried out largely by external consultants. The team do not claim to present an inclusive portrait and some more recent studies exist which have not been included in our material. Our selection was made on the basis of a bibliography presented by NORAD and further literature research would have required more time than what was available for the team. All the written material consulted is listed in the references.

Evaluations and project reviews differ in terms of scope, purpose and sources.¹ Such variations in the written material consulted will naturally influence the conclusions drawn from the material.

Our material consists of a total of 43 evaluation reports commissioned by MDC/MFA, out of which 8 were found not to be directly relevant to our report (seminar proceedings, summary of previous evaluations, etc). 3 evaluation reports related only to multilateral aid. In addition, 6 evaluation reports by other agencies were consulted. We have further made use of all 10 “country studies” of Norwegian aid experiences in the main recipient countries. These studies did not undertake project specific evaluations, but often summarised aid experiences and results for major projects and sectors. To supplement this material, we have consulted 31 project reviews and other studies, bringing the total number of source material to 82 publications. In the present analysis the more general term “studies” will be applied for evaluation reports, project reviews, other studies, and “country studies” in order to simplify the presentation.

¹ See Evaluation Report 1.93 for a discussion of the distinctions.

These studies cover aided projects, programmes and other activities, normally in one host country, but in several cases in a number of countries. They include small and large individual projects, sector programmes comprising several projects, and special grants for a variety of activities. In some cases our review of one particular aid operation is based on two or more sources. Moreover, sometimes we have found it necessary to analyse separate projects on the basis of a sector or programme study. The 82 studies have thus provided

the basis for a total of 94 cases, which then constitute our material.

Is the material representative?

As indicated above the choice of material to be reviewed was in one sense at random, while attempting to cover the major sectors and programmes supported by Norwegian aid.

Table 1.1
Norwegian bilateral development expenditure, average 1991–93, NOK million and number of aid activities studied (1986–92), distributed by “sectors”

Sector	Expenditure 1991–93	Number of activities *	Expenditure percent	Activities per- cent
Agriculture	292.6	8	7.5	8.8
Fisheries	139.0	6	3.5	6.6
Industry, oil	224.9	4	5.7	4.4
Electricity	435.2	4	11.1	4.4
Water supply	97.7	3	2.5	3.3
Roads	171.8	3	4.4	3.3
Sea transport	173.3	7	4.4	7.7
Telecomm.	128.1	1	3.3	1.1
Health, fam. planning	371.6	9	9.5	9.9
Education	297.5	6	7.6	6.6
Commodity aid	427.7	9	10.9	9.9
Social infrastructure	157.7	1	4.0	1.1
Commercial services	80.5	0	2.1	0
Publ. adm., planning	36.8	1	0.9	1.1
Regional development	240.2	9	6.1	9.9
Not alloc. to sectors	646.0	20	16.5	22.0
Totals	3,920.6	91	100	100

Source: Bilateral development expenditure by sectors: Årsrapport 1993, NORAD, Oslo, June 1994.

* Only activities for which the background studies contain an explicit or implicit assessment of effectiveness (see chapter 3) are included in this table.

There are good reasons to assume, therefore, that the studies that have been analysed, covered the more important parts of Norwegian development cooperation activities. This assumption was confirmed by the data in table 1.1 which show a reasonably good correspondence between the distribution by sector of expenditure and the number of studies undertaken. Only four sectors can be said to have been under represented in the sample; in one case not represented at all (finance, trade and tourism, shown as “commercial services”). The three others are electricity supply and distribution, telecommunications and “social infrastructure”. The case of electricity is disturbing as the sample of projects does

not include any large project. The major evaluation undertaken of aid to the energy sector in SADCC countries, did cover a major part of Norwegian aid to this sector. However, the evaluation study was considered as unsatisfactory and was never completed or published. We have therefore only been able to make use of some of the studies covered by this evaluation. The study of telecommunications, on the other hand, covers a large number of individual projects and may be considered to give an adequate picture of the activities in that sector. Social infrastructure is implicitly covered *inter alia* under regional development and activities not allocated to sectors. None of the sectors is greatly over

represented. We consider that the activities reviewed give a fairly comprehensive picture of Norwegian development assistance in recent years. But due to the absence of similar documentation on all aided activities, we do not know whether the aided activities that have been evaluated, reviewed or otherwise studied, have performed better or worse than Norwegian assisted development activities in general. The team members' overall experience and knowledge of a wider field of Norwegian aid activities leads us to assert that there is no significant difference between the sample of activities and all activities. There is always a possibility, however, that the sample may give a somewhat too unfavourable picture of Norwegian aid for the simple reason that there may be a tendency to evaluate and review activities which appear to be problematic.

In our opinion the image of the activities which have been analysed in the studies that we have consulted, is undoubtedly comprehensive enough to give a good illustration of the problems and achievements of overall Norwegian development aid efforts. From a technical, statistical point of view, it is a large "sample". In six of the main recipients of Norwegian bilateral assistance, the projects that are included in our sample, or projects which directly follow up these activities, accounted in 1993 for three quarters or more of bilateral aid disbursements under the country programmes. To our knowledge the present study is the only one hitherto which has sought to analyse such a broad selection of Norwegian development assistance activities. However, this does not mean that the tentative conclusions which can be drawn from the available material, constitute an evaluation of Norwegian assistance in its entirety. It nevertheless throws light on both problems and achievements and presents an indicative picture of how large a proportion of aid activities has been more or less successful and which portion of them has failed, according to various indices or performance. It should be added that whereas the entire sample is large enough to give meaningful answers to many questions, it becomes small when broken down by sectors or countries.

Some notes on methodology

The various studies have applied different methods, either implicitly or explicitly. We have to a large extent related to the methods applied in the individual studies and have based our assessments on the conclusions drawn in the material itself. To systematise the findings and conclusions appearing in the large written material,

we designed our own "analysis chart" that consisted of 29 items describing various aspects of the operations and their performance, and which is found as an Annex.

While working on this study we were supposed to analyse the *findings* emerging from the written material consulted. However, at the end of our work, we do realise that to a certain extent we were compelled to *interpret* the findings of the various studies. The material varied in quality, scope and methodology as well as the extent to which conclusions were presented implicitly or explicitly. Often there were no specific answers to the questions which our study is expected to deal with. Hence we had to scrutinise the reports carefully and apply qualitative assessments of our own to a larger extent than we initially had hoped would be necessary. This factor again influences the nature of the conclusions contained in our report, which is not exclusively a synthesis of conclusions in the available material, but also our own interpretation of the content of the documentation. As most of the material was studied by three members of our team, we have reasons to believe that our interpretations reflect the intentions of the authors of the studies consulted reasonably accurately.

However, the evaluations and other studies on which we have relied, also had to draw conclusions from inadequate information. Their conclusions necessarily contain elements of subjective judgments. Therefore, the rating of the "quality" of the various elements of Norwegian development assistance in this study should not be regarded as a "final judgment", but rather as indicative conclusions. We nevertheless believe that this analysis presents an informative picture of problems and achievements in Norwegian development assistance, since so many features repeat themselves in a similar pattern in a large number of cases.

One more caveat should be added. Studies of projects and other activities have been undertaken at different stages of the implementation of the activities, in some cases at a very early stage, in some others after the activity had been completed. None has been undertaken so long after the termination of Norwegian assistance that it is possible to express a solidly based opinion on the sustainability of the achievements. Furthermore, many of the studies were undertaken in the second half of the 1980s, and in several cases the picture of achievements has changed since then. In order to obtain an improved picture of past experience, it would be desirable to undertake evaluations of a representative selec-

tion of projects which were completed a few years ago.

Assessment indicators

Evaluation reports, and preferably also project reviews and other studies, should contain a series of evaluation components.² These are *efficiency, effectiveness, impact, relevance* and *sustainability*. Efficiency measures the results in relation to the effort expended. Effectiveness assesses the extent to which the objective of an activity has been achieved. Impact relates to the changes and effects, positive or negative, planned and unforeseen of the activity seen in relation to target groups and others who are affected. Relevance is the degree to which an activity can be justified in relation to local and national development objectives, and sustainability assesses the extent to which the positive effects of the activity will still continue after external assistance has been concluded. For a variety of reasons hardly any of the documents consulted gives satisfactory answers to all of these questions. As indicated above we have nevertheless tried to extract as much information as possible from the existing documentation.

Outline of this report

In chapter two we have addressed the question of

whether our examples of Norwegian aid operations are consistent with and at least to some extent have moved towards reaching their broader development objectives set forth in the Norwegian aid policy papers.

Chapter three attempts to measure various aspects of quality at the level of the actual aid operations. In this chapter we assess the extent to which the various projects and programmes reviewed have reached the immediate objectives set forth. We also try to measure the efficiency, in other words at what price the achievement of immediate objectives was reached. The last issue covered in this chapter relates to the sustainability of the achievements of aid operations, regarding institutional, environmental and economic matters.

In chapter four we aim at relating the degree of success to some critical factors that may explain the difference in performance across projects, programmes and other activities.

In the fifth chapter we compare the findings from our Norwegian material with similar studies carried out concerning other donor agencies' experiences. The comparison relates to the issues raised in chapters two to four, but primarily to the effectiveness and efficiency of aid operations, and the sustainability of their results.

² MFA (1993).

2. What do evaluation studies reveal in terms of achievement of development aid objectives?

The first basic question which this report aims to answer, is what the evaluations and similar studies tell us about actual results and effects of Norway's development aid efforts. What has been achieved through these activities? Or rather: what do we know about these achievements?

The purpose of this exercise is not to look for the total impact of Norwegian development aid, since only a small sample is covered by our material. But for those aid activities that have been studied: do these studies help us document that the aid effort has actually achieved some results? When they do, what kinds of results are reported? Do the studies also assess the effects of these activities in terms of medium and long term social or economic development objectives? If so, how do these effects relate to the official Norwegian development aid objectives?

To turn the question around, we shall take the official aid objectives as our starting point, since these are supposed to have guided the Norwegian priorities and actual allocation of aid finance. All aid activities are in one way or another justified by reference to these overall aid objectives. But the question arises, do the aid activities actually contribute to the achievement of these objectives? If so, how? Do we see that some of the objectives are more often, or more clearly, achieved than others?

Again, we are fully aware that our material only covers a limited portion of the total aid efforts. But we nevertheless find that these studies are helpful in indicating how the official development objectives have been operationalised in the concrete aid projects and programmes. They will also illustrate some of the actual achievements that have been obtained.

We are also aware that evaluation studies and project reviews are often undertaken during the implementation phase of an aid activity, partly in order to assess performance and experiences so far in order to adjust or improve on the design or content. Most studies are therefore not undertaken in order to make a final evaluation of an undertaking. However, many of the projects and programmes evaluated have been ongoing for quite some time, and the purpose of an evaluation is

exactly to make some assessments of achievements towards the objectives. Also, no other systematic evaluation efforts of the impact and effects of Norwegian aid programmes are undertaken.

2.1 Norwegian development aid objectives

The official Norwegian development aid policies have been formulated in the various Reports to Parliament (*Stortingsmelding*), partly in connection with the annual reports on the development aid activities, but more specifically in the major government aid policy papers (sometimes referred to as White Papers). Since this report covers studies undertaken in the period 1986–92, the most relevant government aid policy papers are the ones tabled during the 1970s and 1980s.

In 1972 the then Labour government formulated its new aid policies in a Report to Parliament *St.meld. nr.29 (1971–72)*. The same government (after returning to office) presented an extended Report to Parliament in 1975 *St.meld. nr.94 (1974–75)* on the broader context of Norway's economic relations with developing countries. It was not until 1984 that a new Report to Parliament *St.meld. nr.36 (1984–85)* was prepared, this time by a centre-right coalition government. Returning to power, the Labour government prepared in 1987 a "supplementary" Report *St.meld. nr.34 (1986–87)*. The most recent aid policy paper which was presented by the Labour government in 1992 *St.meld. nr.51 (1991–92)*, is also a more comprehensive report on Norway's overall "North-South" policies. This is, however, too recent to have had any impact on the aid activities studied in this report.

Various attempts have been made to interpret these aid policy papers, to analyse changes in policies over time, and to identify various contradictions in both stated as well as actual policies. We shall not go into these debates here, but try to extract, in a more pragmatic way, the guiding aid policy objectives as they have evolved during this period.

Olav Stokke has in several of his works¹ shown that Norway has been following two main strategies simul-

¹ Stokke (1987) and (1992).

taneously in its aid policies; one based on promoting social welfare, and one promoting economic growth. Both are aimed at contributing to general development and reducing poverty. The strategy for promoting welfare includes provision of basic services such as education, health, food, and water supply. It is particularly concerned about improving conditions in rural areas, and includes elements aimed at income redistribution. In recent years more emphasis has been put on direct targeting on the poorest sections of the population, as well as on promoting basic human rights and popular participation.

The economic growth strategy is aimed at increasing production and productive capacity in the developing countries. It consists in particular of promoting production in the productive sectors such as agriculture, forestry, fisheries, manufacturing and more recently petroleum exploration, but also of improving the physical infrastructure such as in transport, communication, and electricity supply.

Partly additional to these two main strategies, the government has increasingly underlined the promotion of the role of women in development, especially during the 1980s (though the objective was mentioned earlier). The need for a responsible management of natural resources and the environment was first introduced in the mid-1980s. According to Stokke it is also possible to identify a series of measures aiming at promoting Norwegian (business) interests within the development aid sector.² It should also be recalled that family planning (population control) is the only objective which has been singled out for a special allocation (10 per cent of the total aid budget), since 1972.³

The main objectives of Norway's development aid were thus summarised in five points in the 1987 aid policy paper:⁴

- * Responsible management of natural resources and the environment
- * Economic growth (including increased access to markets in industrial countries)
- * Improved living conditions for the poorest sections of the population (including promoting women in development)

² Stokke (1992) p. 65.

³ St.meld. nr. 29 (1971-72) p. 11.

⁴ St.meld. nr.34 (1986-87) pp. 27-28.

- * Protection of human rights (refers to both social, economic, civil and political rights)
- * Promoting peace between countries and regions

However, for our purpose in this report, we shall have to concentrate on those objectives that are operationalised in the actual aid projects and programmes. We also suggest that since some of the above main objectives are rather broad, these may be subdivided into several parallel objectives. We find it useful to base ourselves on Stokke's main categories, and propose the following interpretation of Norway's overall development aid objectives, which may be applicable in the analysis of results and effects of aid activities:

Economic growth

- (1) Promote directly productive activities, in agriculture, manufacturing, etc. (Including export production and promotion of imports to Norway)
- (2) Strengthen the physical infrastructure in transport, communication, power, etc. (This may be regarded as a means to promote production)

Social welfare

- (3) Improve the living conditions for the very poor (targeted actions, rural development)
- (4) Improve health conditions (including sanitation and water supply) and promote family planning

Additional objectives

- (5) Promote training and transfer of knowledge (as an objective in itself, as well as a means for improving welfare and promoting economic growth)
- (6) Promote the role of women in development (mostly, but not only related to poor women)
- (7) Promote responsible management of natural resources and the environment
- (8) Protect human rights and promote peace
- (9) Promote Norwegian interests in developing countries

As stated above, this is meant to be a pragmatic interpretation, and we shall therefore not enter into a debate on how these various objectives are interrelated or contradictory. In several cases, it is also found that specific aid activities are intended to promote several of these objectives. Our aim is to assist in identifying whether and how these stated objectives may have been achieved in practice, as documented in the existing evaluations and similar studies.

2.2 What can we expect in terms of effects?

Globally Norwegian development assistance represents around two percent of the total ODA of the DAC countries. However, in some countries, such as Botswana and Tanzania, Norwegian bilateral aid has in some years constituted as much as around one tenth of the total aid inflow to the country. Only in such exceptional cases can we have reasons to expect that Norwegian bilateral aid might have a significant effect on the overall development of the recipient country.

However, aid activities will often be concentrated on certain sectors, or frequently on certain geographic areas in the host countries. In such cases we are entitled to ask for tangible effects on the sectors or the areas concerned. But we must also ask what kind of effects we could expect to find of aid activities during a limited period of time. Some "effects" occur instantly when a distinct phase of an aided activity, a project, is completed. Potable water will flow when a water supply system has been installed; traffic can move when a road has been built; and people have access to health services when a clinic has been built and is staffed. But in this chapter we are interested in longer term effects in conformity with such basic Norwegian aid objectives as economic growth and improved living conditions for the poor. This is a far more complex question, and it will take some time before we can assess the extent to which aided activities have promoted sustainable economic growth or improved living conditions for poor people. Indeed, hardly any of the many studies which we have consulted, have been built on enquiries into the longer term effects of Norwegian development aid activities. When they have something to say about such effects, it is based on assumptions about the potential effects of the foundations which have been laid for growth and/or improved living conditions. We must always keep in mind that even the most excellent evaluations have been undertaken during a short time period and rely on available information which as a rule does not include the long term impact of aid activities.

For this reason we have to satisfy ourselves with an examination of tangible, shorter term effects of aid activities, and assess whether these promise to yield results in conformity with Norwegian development aid objectives. This being said, it should be stressed that also short term effects are valuable. Many Norwegian projects create employment for poor people during an extended period of time, and this will *per se* improve their living conditions. Access to schools and basic

health services also contributes to improved living conditions for many people. Some projects lead quickly to increased production and therefore to prospects for economic growth. The relevant question related to such short term achievements is whether they benefit the beneficiaries who are the target groups of Norwegian aid. We will consider that aspect in the following. But we must point out that an eventual, ambitious target of reaching "the poorest of the poor" is very evasive. To our knowledge most bilateral and multilateral development agencies admit that the poorest of the poor are very difficult to reach. However, the less poor are also very poor by our standards, and it is generally agreed that it is essential to bring the poor into the development process which in many countries has benefited only a minority of the people.

2.3 Case studies: Achievements of main development objectives

Promoting production in agriculture, manufacturing, etc.

The activities under this heading include all industries, both primary and secondary. In 18 of the activities studied support to raise production through improved productivity in these industries has been the principal objective of which 8 concern agriculture, livestock and forestry, 6 fisheries, 3 manufacturing and one oil exploration. In addition, promotion of improvements in agriculture is an important element of 5 rural development programmes whereas assistance to manufacturing is a major component of another rural development fund.

Agriculture and animal husbandry: It has become conventional wisdom in recent years that progress in agriculture is a precondition of balanced growth which will benefit the majority of people in the large majority of developing countries in which agriculture employs many more people than other industries. Against this background it is disappointing to find that Norwegian supported projects which aim at increased agricultural output have had very little tangible effects. One such case is the Accelerated Rainfed Arable Programme (ARAP) in Botswana.⁵ It supported destumping in order to expand the area under arable production and hence boost food production, which also was assisted by other financial support for provision of seed, ploughing and fencing of fields. The project has been criticised for many reasons: it was a crash programme which "for all

⁵ Country Study pp. 237-243; Eskeli (1989); and Børhaug (1992).

purposes functioned as general relief" (Børhaug p. 112) under and after the drought. Børhaug maintains that it was started by the political leadership for electoral reasons, and that the Ministry of Agriculture was sceptical. ARAP was effectively organised, but at the expense of other extension activities and thus hampered implementation of other agricultural programmes. It is also feared that "the scheme has increased the rate of deforestation and the problem of woodland availability (Eskeli p. 4)." The sources consulted disagree about whether the project was biased against the small farmers or not, (although, of course, large farmers will necessarily benefit more than small ones from such a scheme). It should be noted that ARAP was a project which received Norwegian support at the request of the host country government.

The large Mozambique Nordic Agricultural Programme (MONAP) 1977–1990 had a total budget of SEK 1,200 million, and was implemented on behalf of the five Nordic countries by SIDA.⁶ The overall evaluation of the project stressed that the finances available for MONAP had generally exceeded the capacity of Mozambican agencies to effectively and efficiently use the money within a limited time period. The most significant mismatch between stated objectives and strategies actually pursued lied in the area of personnel training and staff development. The problem of scarcity of trained and experienced staff in Mozambique is unique. (Moore, pp. 20 and 21). The biggest disappointments are not related to formal objectives, but to the failure to provide sector support and thus enable the Ministry of Agriculture to plan and implement agricultural policy on some kind of holistic basis. The very opposite had happened: the ministry suffered heavily from 'projectification' which tied most of its financial and personnel resources to a very large number of individual foreign aid projects (Moore, p 24). The war situation limited severely the areas in which MONAP could operate. "The programme did contribute to arrest the decline in food production, although its impact was appreciably smaller than expected (CS p. 113)."

The agricultural component of the Turkana Rural Development Programme (TRDP) in Kenya has also been unsuccessful.⁷ "Within irrigation...after 20 years...the population of the irrigation schemes have lower incomes, are worse fed and are worse off than the pasto-

ralists (Helland p. 12)." "The strategy to provide destitutes with alternatives to pastoralism, through fisheries and irrigation, has largely failed...because such alternatives have yet to offer competitive solutions and because they have actually worked to the detriment of the pastoralists as well as the natural environment (Sørbo p. iv)."

The Village Agricultural Programme (VAP) in Zambia⁸ cannot claim much success in terms of agricultural production either. Credit and inputs have been provided to small farmers (during 1989 to 23,000 small farmers). But despite efforts by the VAP programme to stimulate production in the target areas, the 1988 evaluation concluded that production had not increased more in those areas than in others (Samset p. 52)." This is disappointing, but in this case it cannot be said that Norwegian assistance has been without results: 13,000 farmers of whom 45 percent women have participated in courses and field days; "in many respects VAP has been able to reach small scale farmers who have just started permanent cultivation and cash crop production (ibid.)."

Several of the rural development programmes (RESP, Bangladesh; HIRDEP and MONDEP, Sri Lanka; and the Rural Development Fund, Kenya) include irrigation works and cattle dips which have contributed to increased agricultural production, and they definitely contribute to counterbalance the rather dismal picture of the four agricultural projects reviewed above. No significant results in this field were reported for the Rukwa Regional Integrated Development Programme (RU-DEP) in Tanzania, however.⁹

One specific agricultural project, the Norwegian support to the dairy sector in Zimbabwe¹⁰ has been successful in important respects. Norway has supplied milk tanks to commercial farmers who pay for them, and the money is used for a Dairy Development Programme which is aimed at servicing the small farmers, but this part of the objectives of the programme had not been fulfilled. The immediate effect has been to improve the milk distribution system.

⁶ Moore et al. (1990); Country Study pp. 111–115.

⁷ Helland (1987); Sørbo et al (1988); Country Study pp. 179–186.

⁸ Samset et al. (1990); Country Study pp. 126–139.

⁹ Hawkesworth et al. (1989); Country Study, pp. 125–141; Evaluation Report 4, 91; Country Study, pp. 105–116; Gjøs et al. (1989); Bukh et al. (1989); Country Study, pp. 190–193; Manger et al. (1990); Country Study, pp. 267–280.

¹⁰ Evaluation Report 9.89.

The overall impression of Norwegian support to crop agriculture and animal husbandry is that it has been concentrated on activities that in many instances have been difficult to implement, and therefore have achieved modest results. Norway has only contributed indirectly, by fertiliser supplies under commodity aid in Bangladesh, India and Pakistan, to the successful part of agricultural development in the Third World referred to as the "Green Revolution", primarily based on irrigation, improved seeds and fertilisers. There are, of course, also other examples of successful agricultural development in developing countries, but they are few and far between. The modest results of Norwegian assistance in this area should not be interpreted as the consequence of ineptness on the part of Norway, although mistakes have been made and the performance could certainly have been better, but are also an illustration of the difficulties aid agencies are facing in their support of agriculture.

Forestry: Apart from two forestry and saw mill projects which will be discussed under manufacturing, most other aided activities in this sub sector have not yielded satisfactory results, at least not in the short run. The most promising achievements according to the available material appear to have been in two inter-linked projects in Tanzania: Shinyanga Soil Conservation and Afforestation Programme (SHISCAP); and the Hifadhi Ardhi Shinyanga (HASHI),¹¹ The activities include both research (through the International Centre for Research in Agroforestry (ICRAF)), and afforestation and other soil conservation measures, and "there is clear and significant changes in the amount of woody cover now found on farmland (Barrow p. 11)", and "awareness on environmental issues have raised (Jerve p. 23)". Also the forestry component of the Turkana Rural Development Programme referred to already, is considered to be quite successful: "the forestry programme has been properly established.... Particularly in terms of policy and training for dry-land forestry, it seems that the forestry programme has had a major influence (Sørbø p. v)."

When these studies were undertaken, it was clearly too early to have a firm opinion on the long term effects on which forestry projects must be evaluated.

Fisheries: Three of the fishery projects which we have reviewed, have not been successful, in part clearly be-

¹¹ Jerve et al. (1992); Barrow et al (1992).

cause of wrong designs. The Turkana Rural Development Programme in Kenya started with development of fisheries in Lake Rudolph, now Lake Turkana, based on too optimistic assumptions about the availability of fish. Consequently results have been very disappointing, and the freezing plant would run with a loss (Sørbø p. 41). The Mbagani Fisheries Development Centre in Tanzania¹² is being regarded as an example of inappropriate technology: "With the dominantly high-technology oriented expatriate staff at Mbagani, project solutions have tended to be high technology oriented.. The result was that the technology introduced was too complicated to be maintained locally, too expensive compared to the carrying capacity of the fishing sector and to a certain extent threatened the economic conditions of many artisanal fishermen, by disturbing fishing grounds (ibid., p. 8)." "The technology introduced had little replicative capacity; it could hardly be copied by any fisherman at that time in Tanzania (ibid. p. 46)." At the time of the evaluation the Orissa Fisheries District Development Programme in India¹³ did not seem to have achieved much in the field of fisheries, although a good deal of infrastructure had been constructed or improved.

Results in Mozambique were much more promising, however. Two projects were reviewed: Fisheries Research Corporation; and experimental fishing (Trial Fishery Project).¹⁴ The knowledge and practical ability of Mozambique Fishery Research Institute (IIP) to undertake fisheries research was measured during the project. Positive changes were detected in the competence of staff, servicing of users, information base, and research tools. The trial fishery project concluded that findings could not justify commercial fishing of anchovies. Even though there were no tangible results in terms of higher catches from these projects, they must be considered to have laid some foundations for better achievements in the future.

The Research Vessel Dr. Fridtjov Nansen has been built by Norway and put at the disposal of FAO, with the Norwegian Institute of Marine Research as responsible for operation of the ship, analysis and interpretation of data.¹⁵ At the time of evaluation the vessel had been in operation during 12 ½ years and had undertaken resource surveys for 200–240 days annually which makes

¹² Evaluation Report 4.86.

¹³ Dale et al. (1988); Country Study pp. 182–5.

¹⁴ Sætre et al. (1992); Country Study pp. 92–96.

¹⁵ Evaluation Report 4.1989.

it one of the world's most active fisheries research vessels (ibid., p. 9). The survey results were of high scientific standard but difficult for the recipient countries to assimilate and use. Too little effort was made to assess the catchability of resources surveyed according to an evaluation in 1981, but since then there are indications that the impact has greatly improved (ibid. p. 3). However, the programme has not, or only marginally, benefited the poorer segments of the population, but rather the industrialised fishing, including fishing enterprises of the industrialised countries.

Other activities in support of economic growth: manufacturing, oil exploration: Two saw mill cum forestry projects are the only examples of Norwegian support to manufacturing industries which has resulted in increased production. The Sao Hill Sawmill in Tanzania was at time of evaluation¹⁶ considered to be one of the most successful major projects assisted by NORAD in Tanzania (ibid. p 251). In 1986 and 1987 it operated at full capacity. The weakness was the continued need for Norwegian technical assistance, although the choice of a non-automated, simpler technology had been praised. but training had not been successful. A much smaller sawmill in Zambia (Forestry and Sawmill Project) is also considered as successful.¹⁷ In 1989 it operated with a 20 percent profit margin, and operational costs were low since no expatriate technical assistance was involved. But its capacity is only about 1,250 cubic metres per year, compared to about 25,000 cu. m. of the Sao Hill mill.

There is only one more "industrial" project in the studies we have reviewed, viz. Kenyan Industrial Estate which was evaluated under a women in development perspective as one case of "good aid for women?"¹⁸ It is said that "some of the women entrepreneurs supported have established profitable businesses (ibid. p. 39)."

Norwegian support to manufacturing has in many instances taken the form of supplies of inputs through commodity aid. In one case this support has been condemned as uneconomical.¹⁹ General conclusion: the pattern of allocation of Norwegian commodity support in 1984-86 did not contribute to increased net foreign exchange earnings/savings in the Tanzanian economy as far as the manufacturing sector was concerned. Rath-

er Norwegian commodity aid and import support contributed to increasing the net foreign exchange consumption in the manufacturing sector. Nevertheless, commodity support had a positive impact on the production of manufacturing firms.

There is a sector agreement between Norway and Mozambique in the petroleum sector²⁰ which relates to organisation of the national oil company, geophysical and geological studies, and support to practical efforts. The country study maintains that the project has enabled the national oil company (ENH) to negotiate favourably with foreign companies, monitor their activities and analyse the data submitted. But it does not refer to any increase in the income from the sector at the time when the review took place.

The evaluation of NORAD's investment promotion programmes²¹ undertook detailed studies of 12 assisted projects and found that there had been positive welfare effects for the recipient country. Unfortunately, only few such projects have been started with such assistance, and the evaluators considered that most of them would have been realised even without NORAD support. Also the programme to increase Norwegian imports from developing countries, NORIMPOD, has had some impact as there has been increasing imports of the overwhelming majority of items where NORIMPOD had been involved²². The evaluation of parallel financing and mixed credits finds that there is no basis for arguing that bilateral country programmes have been more effective than projects financed through mixed credits or parallel financing, and it also notes that the recipient countries attach increased importance to the role of the private sector and in this connection these forms of financial support can be of particular interest²³.

General note on promotion of production: Our selection of evaluations and other studies shows no significant impact on economic growth through higher production in the assisted activities. The only significant exception appears to be provision of inputs of fertilisers to agriculture and raw materials and other inputs to manufacturing industries in countries with severe shortages of foreign exchange. This is a dismal conclusion which suggests that growth oriented Norwegian aid activities have taken place in areas where conditions are difficult, but it

¹⁶ Country Study (1988) pp. 245-252.

¹⁷ Samset et al. (1990). pp 72-73.

¹⁸ Evaluation Report 6.88.

¹⁹ Evaluation report 4.88.

²⁰ Country Study pp. 99-101.

²¹ Evaluation Report 4.87

²² Evaluation Report 6.87

²³ Evaluation Report 1.89, pp. 8-9

is also possible that it reflects the fact that such activities have to be maintained over a long period of time before tangible results can be expected.

Nevertheless it is also evident from some of the studies that the failure of some projects to reach tangible results in terms of higher production and income has been due to deficiencies in the design of several activities and projects or in their implementation. A striking example is the Turkana Rural Development Programme in which the promotion of commercialised fishing and irrigated agriculture has completely failed to reach its objectives. In the case of irrigated agriculture it is even reported that these farmers are worse off than people elsewhere in the district. It is permissible to be too optimistic about the potentials of such projects, but the Turkana case suffers from another major default, the neglect of measures to assist the traditional pastoralists in the district. Another stunning example is the fishing development centre in Tanzania which tried to introduce high-technology solutions which were inappropriate under present conditions in the country.

But such cases are exceptions. In most of the other cases lack of tangible progress in the short run can be ascribed to inherent difficulties in achieving major changes with the help of the limited resources employed in the projects. However, lack of significant progress in the short run suggests that the various activities must be reviewed or evaluated with short intervals to assess if there are signs of meaningful improvements which promise success in the longer run. If not, other avenues of assistance have to be tried. Many projects include elements of experiments which must be allowed to work for some time, but not for ever.

Improvement of physical infrastructure

This broad category includes building and maintenance of roads, transport systems, power generation and distribution, and telecommunications. None of these activities were specifically mentioned in the 1972 and 1975 aid policy papers, except for sea transport. They have nevertheless constituted an important component of Norwegian bilateral aid programmes. During the period 1991–93 they represented around 23 percent of the expenditures on bilateral programmes, compared to 17 percent for the productive sectors.²⁴ In addition to being

²⁴ These figures do not include such assistance in regional development projects or in assistance not allocated to sectors.

considered as contributing to economic development generally, there has been increased emphasis (since the mid-1980s) on the distributional aspects of infrastructure development through feeder roads, rural electrification, etc. in order to promote rural development.

Construction and maintenance of roads: The Tanzania country study underlined the importance of road network in development:

One of the factors contributing to the intensification of the economic crisis in Tanzania during the past decade had been the continuous deterioration in the road network and the transport sector. Because of Tanzania's geographical features and settlement pattern, road transport stands out as extremely important.

Most reports seem to base their assessments, as does the Tanzania country study, on the assumption that roads constitute preconditions for economic development.

Two evaluation reports and three project reviews relating to the road sector have been reviewed in this study. In general one finds that very little information exists regarding effects from roads on social and economic development. There are no references in the material to studies of the impact of increased opportunity to transport goods and people, how increased trade will affect local communities or how the road might stimulate out- or in-migration. The emphasis seems rather to be on short term impact such as employment creation during the road building period or, in one case, impact on micro ecology along the roadside.

In the rural road programme in Tanzania²⁵ it was found that earnings of the road workers clearly had a multiplier effect due to circulation of cash in the local economy. The project also had contributed to a major environmental benefit by preventing the erosion of the road network. It is one of the few studies which contain an attempt to undertake a cost-benefit analysis. However, "the Rural Roads Maintenance institution is not well integrated into Government's organisational structure,..... The main reasons for its technical success is not its organisational model, but its access to resources, especially foreign funds and trained engineers (ibid. p. 7)"

²⁵ Evaluation Report 3.88.

The study of the road programme in Botswana²⁶ concluded that the Norwegian support could be justified. A total of 1,841 km of roads had been improved during the period 1987–1990. Among possible positive impacts were improved access to main roads leading to the major villages for shopping, schools, clinic etc. But no data had so far been systematically collected and there was consequently no basis for indicating the extent of economic or social benefits. The short term benefits were, however, mentioned as employment opportunities. Another report concluded that the roads might in due course become factors contributing to economic and social development in the rural areas.

Finally, the project review of a small pilot project on labour based road improvement and maintenance in Zambia²⁷ stated that there was a lack of information to assess impact, whether positive or negative on the people affected. 60 km of roads per year had been rehabilitated as a result of training programmes. This project seems to be positively assessed and it had been successful in demonstrating and establishing labour-based methods as a feasible way to improve rural roads.

Electricity supply: Electricity production and distribution is a sector in which Norway is considered to have special competence and experience. Norwegian aid in this sector has therefore not been limited to the main partner countries, but has been offered to several other countries as well.

The outputs from the mini hydropower plants in Lesotho were two dams, and the installed capacity of one power station was 2 MW, of the other 0.18 MW. The evaluation concluded that these plants would save foreign exchange for Lesotho, reduce the country's dependence on imported energy and stimulate economic activity in general.²⁸ But cost overruns had a strong negative impact on the internal and financial rates of return. At the time of evaluation positive results of one of the power stations was reduced due to non-satisfactory state of central transmission lines. During long periods of the year this line could not be used (ibid. p. 18). In terms of the increased availability of electricity supply in one of the localities there was no observable social or cultural impact either within the local area, or within the wider catchment area which it supplied. Any

broader social impact, in relation to decreasing dependence on electricity imports, could only be realised in the long term.

Both projects would have direct and indirect employment effects: indirect due to domestic demand created during construction activity, and employment will be generated as a consequence of supply of electricity. But after completion the direct employment effect was considered very small (ibid. p. 19).

Norwegian contribution to the energy sector in SADCC has been very substantial, adding up to NOK 1,164 mill until the end of 1989. In terms of effects the evaluation concluded for Mozambique that although difficult to prove, electricity provision had probably ensured a successful level of permanent urban settlement in selected areas, outside Maputo and the coastal zone.²⁹

With an emphasis on small hydropower development units for rural electrification, and the necessary transmission system, Norwegian assistance has some impact on material living conditions and, thus, on socio-cultural opportunity. Provision of light has a liberating impact on individual households, and makes rural towns more attractive as permanent settlements where agro-industrial development takes place (ibid. p. 16). It was however also noted that the energy facilities (hydropower development) do not directly employ any significant number of workers.

Telecommunication: There is only one evaluation from 1990 covering aid in the telecommunications sector; to the SADCC region.³⁰ In addition, the Bangladesh country study provides a preliminary assessment of the support to the telecommunication system for the Bangladesh Railways, the implementation of which had just started.

At the time of evaluation expenditure on four projects in the SADCC region had reached totally NOK 700 mill over a 7–8 years period. One project established an analogue microwave link from Botswana to Zimbabwe and Zambia. The evaluation concluded that from an economic point of view the project seems to be clearly viable. However, there was no indication that improved telecommunications have increased inter-regional

²⁶ Solberg et al. (1990).

²⁷ Samset et al (1990).

²⁸ Evaluation Report 1.90, page 92.

²⁹ Evaluation Report 4.90.

³⁰ Evaluation Report 3A.90 "Summary".

trade-flows between the countries. The project has contributed to a reduction in the dependence on South Africa as to telephone traffic. But the improved telecommunication system has so far not reduced the trade dependence on South Africa, which had been one of the (optimistically) stated development objectives.

The economic, social and political impacts from projects comprising of construction of a radio relay system in the North-Western province of Zambia, a high capacity link from Chingola to Solwezi and 300-channel links between Solwezi and Zambezi-Mwinilunga had so far affected Zambia only, and not its neighbouring countries. The district headquarters in the province have become a part of the national telecommunication system. As a result local bureaucracies were able to communicate throughout the political and administrative hierarchy.

Regarding construction of a high capacity digital microwave radio link system from Harare via Bereru to Tete in Mozambique, and to Blantyre in Malawi, the evaluation found it too early to make any assessment of the project as to the economic, social and political implications, since there were no operational experiences yet from the system.

Finally, the delivery of 16 rural telephone exchanges were found important for the political and administrative communications in Zambia. They were also vital for further expansion of the telecommunication system down to the local level. The evaluation team further concluded that interregional telecommunications projects are clearly profitable and vital for international trade, regional cooperation and international contact in general.

"The operation and maintenance of this expanded network is now a major challenge to the telecommunications authorities in the countries, but should also be of concern to the donors who have been involved in the expansion of the systems (ibid. p. 21)."

General note on impact of infrastructure: The infrastructure sector is characterised by a seemingly efficient installation of physical structures; visible landmarks in the forms of electric transmission lines, roads, and water networks. The physical output seems satisfactory. In general the impacts of these investments are characterised as positive, though no report can give proofs of beneficial socio-economic impacts.

The critical questions are more often related to viability, maintenance, and sustainability of the investments, but also in considering who are the users of the infrastructure + and the extent to which the primary beneficiaries of Norwegian aid are reached. One example in our material is road building components in a larger scale rural programme in Bangladesh.³¹ It was concluded that work on feeder roads and growth centres created only limited short term employment, and a positive long-term impact on the target group of these activities is doubtful. The target groups were not much involved in the procedure of selection of roads, which was found "quite haphazardly".

Improving the living conditions for the very poor

While the overall aim of all development efforts is to reduce the extent of poverty, this is how the evaluation studies assess this impact.

Indicators of positive effects on poverty alleviation:

Two rural development projects in Bangladesh included both building of physical infrastructure and the formation and strengthening of local groups (ibid.). The evaluation concluded that perhaps the major achievement of one of the projects was its ability to provide short-term employment for the primary target group; landless and near-landless people depending on employment opportunities for manual labour.

The bilateral health programme to Botswana was considered a reasonable success, according to the Botswana country study. We thus assume that the poor target groups really have benefited from improved health services. Also, according to the country study, a District Development Programme in Botswana scores well in its efforts to promote local democracy by strengthening village institutions. The programme has reached small villages and promoted projects which would benefit women and disadvantaged groups.

According to the India country study and a project review³² of the Integrated Child Development Services Programme (ICDS), this is one of the real success stories in terms of reaching poor people, children and women, despite some deficiencies. In 1991 approximately 200,000 children between 0 and 6 years were reached.

³¹ Hawkesworth et al. (1989).

³² Berggrav et al. (1989).

The Social Welfare Programme (SWP) in Sri Lanka was evaluated in 1990.³³ The main beneficiaries are plantation workers and the activities included child welfare and health facilities, water supply and sanitation and housing. The plantation workers have a far lower life expectancy than the average Sri Lanka citizen and the project can be regarded as poverty oriented. Direct and clear effects on poverty reduction are not assessed in the available reports.

These examples from several sectors and countries show that Norwegian development aid also reach the priority beneficiaries. The same positive results were observed in the township supplies component of the water supply programme in Western province of Zambia. Here the evaluation concluded overall that "The remoteness of the project areas and the relatively difficult access, would have denied such development to these communities in the current severe situation in Zambia. Thus the programme was helping to promote socio-economic development in the poorer sections of the Zambian community".³⁴

³⁴

Also the Labour Intensive Road Construction project in Botswana³⁵ reached poorer sections of the population. But the evaluation found that casual road workers were considerably underpaid, and it might be argued that the rural poor were exploited to construct roads which they hardly needed. They did not own vehicles to drive on the roads, they did not travel a lot and did not have many agricultural products to market (ER p. 60).

The Norwegian Volunteer Service³⁶ was in general characterised as well suited to reach the main target groups of Norwegian aid. A special case study of NVS assistance to disabled concluded positively; the situation for disabled had been improved, despite of many problems.

MONDEP, one of the rural development programmes in Sri Lanka³⁷ was reported as quite successful and had spin-off effects throughout the district, but the reports at hand here are concentrating on planning processes rather than effects on poverty, and more detailed informa-

tion is thus not available. Another rural development programme in Sri Lanka (HIRDEP) achieved in general a positive assessment by the evaluators.³⁸ But even so, it was stated that many projects did not, in practice, have a specific target group orientation, and it was not possible to give a detailed breakdown of allocations according to target group orientation.

Despite these positive assessments, it is quite remarkable that hardly any of these reports has actually demonstrated that poverty has been reduced as a result of the aid effort. With a few notable exceptions, direct and clear evidence is not provided. In the majority of cases, the evaluation teams mostly assume positive effects.

Cases of more uncertain effects. The Minor Urban Water Supply programme in Kenya³⁹ had a beneficial impact in semi-rural and minor urban areas and had contributed in providing consumers with potable water, and thousands of women and children had been relieved of the drudgery of fetching water for domestic purposes from far away places. But the principal beneficiaries of the programme were the relatively better off, while the almost complete absence of operating kiosks and public standpipes largely denied the unconnected households access to water.

It is impossible from the material at hand to present overall conclusions regarding effects on poverty in the Turkana Rural Development Programme.⁴⁰ The Norwegian assistance to Turkana has been massive. Starting with relief aid and small fisheries activities, the intervention soon covered agriculture, fisheries, health, education, forestry, water and livestock, water supply and roads. Some effects on general development (and poverty) are presented. We have already referred to a strong statement in one study: "Within irrigation (...) after 20 years (...) the population on the irrigated schemes have lower incomes, are worse fed, and are worse off than the pastoralists (Helland p. 12)." General effects were concentration of development resources in agriculture and fisheries rather than livestock, and concentration of the population into villages and towns. Although there are positive results within, in particular, health, education and forestry, some projects seem also to have negative consequences on women. In fisheries for instance, "it remains a fact that women have been

³³ Timmer et al. (1990).

³⁴ Evaluation Report 1.87.

³⁵ Evaluation Report 6.88; Solberg et al (1990); Country Study pp. 194-200.

³⁶ Evaluation Report 3.1989.

³⁷ Gjøvs et al. (1989).

³⁸ Evaluation Report 4.1991.

³⁹ Country Study, pp 164-169.

⁴⁰ Helland (1987); Sørbo et al (1988); Country Study pp. 179-186.

particularly affected by the poor performance (Sørbo p. 78)".

The evaluation of stockfish used as food aid raised several important concerns regarding the poverty orientation practice.⁴¹ In the processes of selection of beneficiaries the evaluation found that there were taken no special consideration to the nutritional situation among the recipients in Mozambique. But it was concluded that most of the fish had been delivered to people suffering from the drought. The target groups for the stock fish in Ghana varied according to the objectives and interests of local NGOs and not to socio-economic criteria, such as poverty. The evaluation found that the people most in need did not receive any fish, except in one case (ibid. p.13).

Another evaluation from 1986 covered Norwegian food and relief assistance to Mali.⁴² The government representatives claimed that the assistance provided by Norwegian organisations had been very decisive for the supply situation in the country. The evaluation team, however, pointed out possible negative consequences of food aid: as food is sold very cheaply, local peasants are discouraged from producing more than for their own consumption; living costs in towns are lowered, and can encourage migration to towns; and at the local level food aid can affect existing mechanisms of distribution and solidarity (ibid. p. 47). The evaluation also found examples that food aid was distributed to areas with no need, several times to the same area (overlapping), or at the wrong time. As the poorest and most needy were not even able to work in the "food for work" schemes, how then would the food distributed for work performed possibly reach them (ibid. p. 57)?

Norway has for many years assisted a family planning programme in India (Post Partum Programme). The Country Study questioned the appropriateness of the programme for support by a donor aiming at poverty alleviation and at the promotion of the role and status of women (p. 140). However, the project review⁴³ stated that "PPP is within the policy guidelines. This also applies to the question of poverty orientation, based on the understanding that the bulk of current direct users of services are the urban poorer segments of society (p. iv)."

⁴¹ Evaluation Report 1.86.

⁴² Evaluation Report 2.86.

⁴³ Møgedal and Miranda (1990).

The direct beneficiaries of the milk tanks scheme in Zimbabwe⁴⁴ were mainly large scale commercial milk producers. But these farmers paid rentals on the bulk tanks to form a "counterpart fund" for Dairy Development Programme (DDP). This programme is oriented to improving health and living conditions for the poorest, particularly women and children. In fact, very little had happened because the fund had received far less income than planned due to subsidised prices to the large dairy farmers.

The evaluation of the Women's Grant (bilateral part)⁴⁵ stated that although there was evidence that some projects had been directed towards improving the living conditions of the poor, the overall pattern was that the Grant has been more addressing the needs of middle class women (various events, scholarships, research etc). Some of these middle class women have nevertheless been catalysts for initiating projects for the poor.

General comments on poverty alleviation effects: Most of the reports and project reviews selected for this study are not analysing the effects on poverty. In most cases there is reason to believe this is because the development activities described have rather loose links to the poorest population groups. Another reason could be that relevant information was not readily available, or that the terms of reference for the studies did not specify this. There are no references to impact studies in any of the documents reviewed by us.

Although the overall concern for the poorest is well recognised, several evaluation reports raise essential queries regarding how this principle shall be applied in practice. Firstly, the poorest are very seldom precisely identified as groups of beneficiaries during the planning of project and programmes. Some evaluations even raise the question whether it is possible by practical means to reach these people by aid activities, as they often are spread over larger geographical areas, live in inaccessible places or are mixed with other segments of people. Thus the poorest of the poor are often difficult to "target".

Secondly, it is known from other studies and experiences that it often takes a combination of general economic development, active policies of distribution, and directly targeted activities to have an impact on poverty.

⁴⁴ Evaluation Report 9.89.

⁴⁵ Evaluation Report 3.91.

While general economic development is insufficient, also directly targeted interventions may be insufficient to have a lasting impact. This report shows that it is very difficult, however, to provide evidence of impact on poverty reduction from the non-targeted aid activities.

It can thus be concluded that the most successful projects and programmes in terms of directly benefiting the poor, on the basis of our material, seem to be those which have identified these as target groups. But as mentioned above, not even studies of these have been able to substantiate these effects to a sufficient degree.

Improve health care, family planning and healthier environment

Health care, family planning and drinking water supplies absorbed about 12 percent of Norwegian bilateral development assistance in 1991–93. Our documentation contains 11 studies of bilateral projects in which these elements were the main fields of action. In addition, however, several other projects, notably multi-sector projects or grants through NGOs, also contain activities in these areas. One study deals with assistance to family planning through a multilateral agency. In this section we are mainly concerned with the impact of these activities on health conditions and the ability of people to decide on the number of children they want to have and when.

Health care and family planning: Amongst the 8 studies of bilateral activities in this field, there is no evaluation, and in three cases we relied on a country study only. We do not here review NGO and multi-sector programmes, as they have even less information on the impact of their activities on health conditions.

Since 1982 Norway supports a child development programme in India, originally started by the government with support from UNICEF.⁴⁶ Amongst its many immediate objectives is to reduce malnutrition, morbidity and mortality of children aged 0–6 years, and provides a good opportunity to create a nutritional impact on poor children in the most vulnerable periods of their lives. However, the review team did not present any evidence of significant improvements, and noted weaknesses as regards weighing and follow up of malnourished children.

⁴⁶ Bergrav et al. (1989); Country Study pp. 101–103.

Under an umbrella agreement Norway has supported various health activities in Botswana since 1973. The country study maintains that in general, the bilateral health programme is considered as a success (p. 188), and that Norway has played a major role in the development of health services. But once more there are no indications on the effects on health conditions in Botswana. It is observed that infant mortality was “only” reduced from 87 per thousand in 1971 to 68 per thousand in 1984, which is just above the average for middle income developing countries. Immunisation had reached 80 percent of the children at the end of the 1980s. The question is not raised if even these improvements would have been possible without the creation of 251 health posts and 128 clinics with Norwegian assistance.

The health component of the Turkana Rural Development Programme⁴⁷ is regarded as quite successful: efforts are clearly paying off; the health components have been established and maintained in accordance with the District Focus and District Development Plans. Particularly the Community Health Committees represent a promising approach to increased health awareness.... results seem promising (Sørbo (vi)). However, once more we do not know which effects “increased health awareness” and access to newly built health facilities have had on health conditions.

In the country study Norwegian support to the national tuberculosis programme in Mozambique is considered to have functioned well, under difficult security conditions. The coverage has been surprisingly high, and the programme is well structured and functions in the provincial capitals as well as in Maputo. Tuberculosis is a serious problem in Mozambique, but no information is available on the impact.

The remaining four bilateral programmes reviewed, and the support to UNFPA have family planning as a major objective. In two cases (Bangladesh and Zimbabwe) Norway is co-financing health and family planning programmes for which the World Bank is the lead agency. The health and population project in Bangladesh was started in 1975, and Norway has been a co-financier since 1976. The most recent material available on the project⁴⁸ deals only with one component, the management unit, which has functioned very well. This fairly recent study did not deal with project achievements

⁴⁷ Sørbo et al. (1988); Country Study pp. 179–186.

⁴⁸ Møgedal (1991).

which the country study (in 1986) found disappointing, even in relation to demographic objectives (p 143). No information on the impact on mother and child health, an important Norwegian aid target, is available in our documentation.

The family health project in Zimbabwe is much more recent; it started in 1987. Also in this case the project review⁴⁹ does not deal with the impact of the project, but merely with the way in which the creation of physical infrastructure had advanced. The immediate objective of the project is to increase the availability of family planning services, and improve maternal and child health care (MCH). Neither the country study nor the project review have any information on the impact on population growth or MCH.

The Post Partum Programme component of the family planning programme in India has received Norwegian support since 1971,⁵⁰ and has both family planning and MCH objectives. The project review contains some indications on how the programme might influence family planning and MCH. In terms of overall family planning achievements, these are difficult to measure, but qualitative improvements of the health centres have been reached.

The attempted support to the family planning programme in Pakistan during the period 1975–80 was according to the country study ineffective: tangible results measured in terms of likely demographic impacts had clearly been negligible.

During the period 1981 to 1986 Norway supported family planning activities through the United Nations Fund for Population Activities (UNFPA).⁵¹ While the evaluation points at considerable underutilisation of funds, it nevertheless concludes that the projects supported by the (Norwegian) Ministry of Development Cooperation and run by UNFPA are performing as well *as could be expected* (our underlining).

Water supplies: Two comprehensive evaluation reports and some project reviews and country studies have information on Norwegian assistance within this sector. These are covering the Water Supply Programme in Western Province, Zambia the Rural Water Supply Pro-

gramme in Zimbabwe, Rural Development Programme in Bangladesh and Minor Urban Water Supplies in Kenya.

The Norwegian contribution to the Zambia programme⁵² was about NOK 247 million at the time of evaluation in 1987. It consists of two main parts; townships supplies and rural water supplies. The township supplies part of the programme has succeeded in providing safe and reliable water supplies at a reasonable service level to a large number of people. For the rural water supplies, however, a study of the consumption of the water along the Zambezi river was disappointing since only 27 percent of the population used the new supply exclusively, while 42 percent of the population never used it. The villagers' attitude concerning the feeling of ownership and location of wells was discouraging. The benefits of the programme in terms of health impact, time saving and economic effects seemed relatively insubstantial.

In Zimbabwe more than NOK 250 mill had been invested from the Norwegian development assistance accounts in 4 projects.⁵³ The projects comprise a National master plan for rural water and sanitation, a "crash programme" to prepare 400 boreholes and sector support programmes from 1987 and onwards. The evaluation stated that the programmes undertaken within the water and sanitation sector currently provided some of the most impressive examples of an approach to development based on community participation. But it was too premature to extensively comment on impact from this programme. Neither the present programme reporting, nor the national monitoring system, gave sufficient information to measure the achievement of objectives.

The rural development programme in Bangladesh⁵⁴ had established 4,742 water pipes and installed 300 culverts, and the implementation of water resource schemes were said to create considerable long-term employment opportunities in the agricultural sector. While the physical achievements were quite satisfactory, the project review did not conclude regarding socio-economic effects of the programme.

The Minor Urban Water Supply Programme in Kenya⁵⁵ had a total budget of almost NOK 200 mill. from 1974

⁴⁹ Gleditsch (1990).

⁵⁰ Møgedal and Miranda (1990); Country Study pp. 136–141.

⁵¹ Evaluation Report 2.88.

⁵² Evaluation Report 1.87.

⁵³ Evaluation Report 7.89.

⁵⁴ Hawkesworth et al. (1989).

⁵⁵ Country Study, pp.164–169.

to 1988. An evaluation from 1982 stated that the programme had provided important and positive contributions in terms of supply of water to consumers. 63 percent of the population in areas covered by the programme utilized the water and the consumption rates had increased. The programme had reduced the hard work of water collection by women and children and improved washing and sanitation services for those who had got piped water. But there was an over representation of better off people among the water consumers from the scheme. And it was also found that the poorest water consumers had to pay relatively more compared to larger households, industries and institutions due to the tariff systems applied.

The MONDEP, integrated rural development programme in Moneragela, Sri Lanka as well as RUDEP in Tanzania also included water development components.⁵⁶ Both reviews report some physical achievement, but also point to serious problems in finding feasible technical approaches.

General comments on health, family planning and environment affecting health: Health and family planning projects with Norwegian support have, with the exception of a short lived project in Pakistan in the second half of the 1970s, apparently been reasonably well implemented in terms of concrete achievements by creating physical infrastructure, providing training and strengthening institutions. But in general nothing is known about the impact of these activities on health in general, mother and child health in particular, and family planning attitudes. Recent information suggests that awareness and use of family planning is increasing in Bangladesh. None of our documentation suggests that the same has happened in India or eventually in other countries where such Norwegian assisted activities have taken place (Nepal, Nicaragua and Zimbabwe). This lack of information on the impact of aided development is general in our documentation, but particularly striking in this sector.

In fact, there is much more information on the use of drinking water supplies created with Norwegian assistance. In most cases the picture is quite encouraging, except as regards the use of rural water supplies in Zambia. But the Kenya study pointed out that water supplies did not always benefit the poorest consumers.

⁵⁶ Gjøs et al. (1989); Manger et al. (1990).

Education, training and transfer of knowledge

Four evaluation reports and four project reviews cover programmes or projects with education as only objective. Two evaluations and two country studies deal with transfer of knowledge through technical assistance. In addition many evaluations and project reviews cover activities where training and education constitute important components.

Some reports conclude that the impact from education and training activities represents the most important contribution of Norwegian assistance to development. An example is the evaluation of HIRDEP,⁵⁷ the large scale rural development program in Sri Lanka, that had considerable positive effects, and it was stated that the most lasting impact will come from the support of local institutions and the training of local leaders, entrepreneurs, women's groups etc. (ibid. p. xvi). Also the project review of MONAP in Mozambique stated that the programme had created physical, human and institutional capital assets which may generate reasonable returns if the economy recovers from the war.⁵⁸

Among other positive assessments of educational activities are the education components of the Turkana Rural Development Programme, the part of the Grant for Women in development within "studies/research", and the Faculty of Forestry in Tanzania which, to a large extent, is the result of many years of cooperation with and close follow up from NORAD. Here more than 300 BSc, and 57 MSc have graduated.⁵⁹

The evaluation of a UNESCO multi-bilateral project in Togo⁶⁰ reported that the "effects" of the literacy campaign was that the beneficiaries appeared to take an increasingly active attitude towards shaping their working conditions as well as taking part in the development of their communities. The project had also contributed to the development of a "written culture" in the localities (newspaper etc.) because it had questioned whether it was feasible to change the minds and habits of people from functioning on the basis of oral information to written communication unless the environment also was changed. Thus by producing reading material for the women, these could utilise their newly acquired knowledge.

⁵⁷ Evaluation Report 4.91.

⁵⁸ Moore et al. (1990) p. 18.

⁵⁹ Sørbo et al. (1988); Evaluation Report 3.91; Brock Utne et al. (1990).

The impact of two NORAD fellowship courses in Trondheim varied much from country to country.⁶¹ The case study from Sri Lanka showed that the acquired knowledge was actually applied, while in Tanzania there were more obstacles in the job situation which were not due to the course itself but to the general situation of the home country.

The evaluation of the NORAD fellowship course at Ås⁶² agricultural university doubted whether it had contributed much to institution building in Zambia, Kenya and Botswana, while in Tanzania a good deal was achieved. It was actually suggested that agricultural research in Africa might well be best served not by training more M.Sc. level students in Norway, but by providing support to those who were already trained, but who could not effectively utilise their skills in their own countries.

Basic education to women has been emphasised as particularly important and efficient from a development point of view. In Nepal Norway partly financed hostels for 500 female students from the country side to attend secondary education in town.⁶³ Most of the students found jobs as teachers in their places of origin after completed education. Thus small costs in terms of investment in hostels would result in training spin-offs for thousands of girls in rural areas.

Norway has for more than 20 years assisted the Tanzanian Institute of Development Management.⁶⁴ Thousands of students had passed their exams to work in government and private organisations in the country. The annual intake was 940 in 1989. Although the impact of the IDM graduates on Tanzanian society is very difficult to judge, and there is no "control case without IDM" with which one could compare, the positive contributions to society are considered high. In terms of perceived importance of IDM to the needs of the Tanzanian society and country, external interviewees gave a combined rating of 4.1 out of 5 possible.

The material also provides some critical observations relating to relevance of the training and to dominance of Norwegian teachers and trainers. Evidently several of the NORAD fellowship courses were initiated on Norwegian initiatives, and sometimes the technology level

and content were not particularly well fit to the needs of the participants' countries. The maritime training in Mozambique was found exclusively to be carried out by expatriates. The level of training appeared to be higher than needed.⁶⁵

In several cases project or programme related training failed to produce enough candidates to take over the responsibility of expatriates, e.g. the water supply programme in Zambia⁶⁶ and the mini-hydropower plants in Lesotho.⁶⁷ The evaluation of the latter programme found that an ambitious physical implementation schedule conflicted with strong emphasis on training. Adequate training would have required that the speed of implementation had been considerably reduced compared to usual Norwegian standards. At the time of evaluation the training component of the project was not very successful, as trained manpower had a tendency to leave the area (presumably for better paid or higher status jobs).

A striking exception to the finding that investment in development of knowledge is worthwhile, is the large and long lasting fisheries educational project in Mbegani in Tanzania.⁶⁸ This centre which by the end of 1987 had cost NOK 250 million, did not seem to fill its educational role for the development of fisheries in Tanzania. The result was that the technology introduced was too complicated to be maintained locally, too expensive compared to the carrying capacity of the fishing sector and to a certain extent threatened the economic conditions of many artisanal fishermen, by disturbing fishing grounds.

Wrong technology was also found applied in road projects in Tanzania⁶⁹ where the training activities clearly reflected a bias towards machine intensive methods in the earlier years. Neglect of senior staff development and hence poor progress towards Tanzanisation was also found. As a result the project was still entirely dependent on expatriate assistance and vulnerable to the effects of the regular replacements of expatriate staff.

It is clear from the information sources for the present report that "transfer of knowledge" should be regarded as a two way flow, and not only as a stream going one

⁶⁰ Evaluation Report 3.86.

⁶¹ Evaluation Report 2.91.

⁶² Evaluation Report 7.88.

⁶³ Evaluation Report 3.86.

⁶⁴ Evaluation Report 5.89.

⁶⁵ Jørgensen et al. (1991).

⁶⁶ Evaluation Report 1.87.

⁶⁷ Evaluation Report 1.90.

⁶⁸ Evaluation Report 4.86.

⁶⁹ Evaluation Report 3.88.

way: from north to south. Many problems in projects and programmes could have been avoided if the level of knowledge had been higher among the implementors (NGOs, consultants, local government) or the donors' representatives (NORAD, multilateral organisations etc). Often there is lack of understanding and comprehension of the problems prevailing in the socio-economic setting of the beneficiaries.

This was for instance found regarding food supply and relief aid to Mali⁷⁰ where the NGOs involved were criticised for lack of knowledge about the ecological, political and administrative systems in the country. Project reviews of soil conservation and afforestation programmes in Tanzania⁷¹ also concluded that forestry extension officers lacked skills in dry land forestry, soil conservation and extension as well as communication technologies to villagers.

The problems concerning training and education components in projects often seem to stem from lack of planning, and inadequate investigation of the real needs in the developing countries. Often there appears to have been assumed that knowledge can be blueprinted or copied from Norway and applied directly in completely different circumstances. The content of the education was not always adjusted to the needs of the students; and the training was often too specialised for the jobs which trainees went back to. Most reports seem to conclude, however, that training and education provided for have succeeded in terms of number of trainees, and they also argue for more investments in manpower development, training and education.

Technical assistance is, in addition to education and training in the recipient or donor countries, supposed to be a crucial element in transfer of knowledge. Three special evaluations and two country studies deal extensively with technical assistance. One reviews experience with general technical assistance personnel in Nordic assistance in three African countries: Kenya, Tanzania and Zambia.⁷² It covered 800 persons and some of the conclusions were not encouraging: 5 percent failed radically in their assignments and had to be sent home; 5 percent did not have their contracts extended for the same reasons; around 25 percent had their working capacity reduced because they did not speak English well enough; around 25 percent were not really needed: their

posts were identified by aid agencies and other expatriates; and the full effectiveness of almost 75 percent was hampered because of lack of other inputs, and the counterpart system failed to lead to a transfer of knowledge. In addition, the role as implementors had been given priority vis a vis the long term aims of training and institution building (ibid p. 31). Assessing 900 man years of technical assistance personnel the evaluation concluded that the institutional framework that should lead to a transfer of knowledge was nonexistent or crippled (ibid p. ii). We will return to these observations and problems also in chapters 3 and 4. To avoid any misinterpretation it should be added that the majority of the technical assistance experts were effective in their work, particularly in implementing aided projects. But the transfer of knowledge effect of their presence fell short of expectations.

The Norwegian Volunteer Service is supposed to be an important tool for transfer of knowledge, although also in this case the volunteers are supposed to do jobs for which no trained or experienced personnel is available in the host country. The evaluation of the volunteer service stated that it often had failed to be integrated in the local systems and this had severely weakened the transfer of knowledge effect. Volunteer service postings had developed into regular development projects, supported by funds and facilities which were far superior to those of the local staff, rather than technical assistance only.⁷³

The India country study describes four projects in which technical assistance of an advanced kind was given to four institutions, but no clear indication is given on whether the assistance had lasting effects. The Zambia country study is very critical of Norwegian technical assistance: the Norwegian personnel functioned as "islands of efficiency" with Norwegian provided infrastructure; NORAD provided foreign personnel to the Village Agriculture Programme at a level which could easily have been Zambianised; it is clear that the counterpart system has more or less failed in Zambia as it did elsewhere in Sub-Saharan Africa (pp 123-125).

An evaluation of the consultancy funds in four Central American and Caribbean countries⁷⁴ did not reveal any technology transfer in addition to the content of consultants' reports which in most cases were considered as useful.

⁷⁰ Evaluation Report 2.86.

⁷¹ Barrow et al. (1992); Jerve et al. (1992).

⁷² Evaluation Report 5.88.

⁷³ Evaluation Report 3.89

⁷⁴ Evaluation Report 5.86.

General comments on education, training and transfer of knowledge: Judging from the reports forming the basis of our study, one can conclude that the evaluation teams, project review members and the authors of country studies all emphasise the importance of transfer of skills and skill development in all various facets, from practical non-formal instruction and extension training at village level to higher level university education. The general picture emerging from this material is that training and education components often have been relatively successful. Some reports underline, though, that "impact and effect" of education and training on the larger society is difficult to measure or detect until after many years, if at all. There are also serious exceptions to the general rule of successful training and education projects and programmes, some times caused by wrong assessments of what kind of training that is needed.

The role performed by technical assistance in transfer of skill and knowledge is judged more harshly. Too much of the efforts have gone into implementation of aided projects at the expense of training of counterparts. However, lack of suitable counterparts in the host countries, has in many instances prevented effective transfer of knowledge.

Promote the role of women in development

Policy documents for the Norwegian Volunteer Service as early as 1968 included the need to improve the situation for women in the developing countries. The first aid policy paper on general development aid covering the WID (Women in Development) issue was in 1975.

Many positive and direct effects on women have been cited under previous sections of this report, on education and poverty orientation. Within health programmes, integrated rural development programmes, alphabetization and basic training projects etc. thousands of women in many countries have been reached directly with significant and important assistance. In this section we review some other effects on women in development as they are articulated in our material, not so much on numbers of women "reached" with assistance as with reported gains and results of gradually stronger WID strategies.

The evaluation of Mbegani Fisheries Development Centre, Tanzania found that in planning of the centre, little weight was given to assisting women especially.⁷⁵ A women's group was established to carry out activities like sewing, producing coconut oil, running a shop, etc.

Such groups are arenas for transfer of concrete skills, but perhaps even more for mobilising and giving sense of togetherness. But they were criticised in one evaluation for creating parallel structures in villages, rather than incorporating women into the mainstream of village development, and these were found to increase women's workload.⁷⁶ This observation illustrates well one of the main features of the WID work from the late 1980s onwards; "mainstreaming" i.e. to include WID in the "normal" development processes.

In many development projects women were among the beneficiaries on paper, but they were seldom consulted or included in project planning. In the Water Supply Programme in Western Province, Zambia, active participation by women in the planning, design and implementation was a key to success, but at first there was no conscious policy on women's participation.⁷⁷

None of the three case study projects selected for one WID evaluation in 1988 had incorporated WID issues at various stages of project planning and implementation.⁷⁸ While the Water Master Plan for RUDEP in Tanzania included "women" in some of the recommendations, this was not the same as building the programme on women's needs and interests, nor were women consulted during the planning process. The selection of schemes was made on the basis of technical factors, hydrogeology, topography etc. Appropriate technology was advocated, but no data indicate that this technology would be appropriate for women.

The evaluation of the Women's Grant stated there was lack of precise definition of target groups. The formulation used; "women" can be interpreted as support to all groups of women - elitist as well as disadvantaged. This is not quite consistent with the political mandate which puts the Grant in a clear poverty-oriented perspective.⁷⁹

To include more women in development work quotas have been used, e.g. in the Rural Roads Programme in Tanzania a target of 20 per cent female employment was set in 1984 for the year 1988. This target was reached for Tanga, not for Mbeya. The evaluation commented, however, that women mostly had been employed as casual labourers or in activities traditionally per-

⁷⁵ Evaluation Report 4.86, p.9.

⁷⁶ Barrow et al. (1992).

⁷⁷ Evaluation Report 1.87, p.52.

⁷⁸ Evaluation Report 6.88.

⁷⁹ Evaluation Report 2.89, p.5.

formed by women, and recommended also to recruit more women as foremen and road attendants, and as drivers and machine operators.⁸⁰ Women should also be more involved in evaluations and project reviews. The project had been subjected to 6 review missions by NORAD/MDC in the period 1980–87, with very low representation of Tanzanians or of women. 90 percent of the Norwegian team members were engineers - which resulted in professional technical bias and failure to address problems related to national policy and development issues (ibid. p. 24).

In the evaluation of the effectiveness of technical assistance personnel (TAP) financed by the Nordic countries it was observed that women were in minority, and most women “worked” with “soft” components of projects. The evaluation did not find any major problems which could discourage wider recruitment of women. When job descriptions and TAP posts were formulated, it should be taken into account that men and women have different opportunities for reaching both sexes in the recipient country.⁸¹

The fellowship courses in Norway financed by NORAD have been open for most of the females applicants, but the female representation was relatively low. Thus the Soil Science Course included 16 percent women, although it was open to all women applicants.⁸² The use of quotas for personnel at various levels was emphasised as positive for women in three case studies.⁸³

The evaluation of three projects selected by NORAD as being specially good for women, stressed that it is important to “formalise” the WID issue (ibid). It stated that there was clear evidence that if women’s issues are not formulated in agreements, it is unlikely that any significant attention is given to women at the various stages of project implementation (ibid p. 21). Another experience was the need to have well informed and WID concerned people in key positions, including in NORAD’s country representations, and aiming at less frequent turnover of personnel.

The evaluation of the Women’s Grant found that in the main partner countries, support to women’s organisations and NGOs have made women more visible in the

societies, a much larger number of organisations have appeared and the Grant has made it possible for some voluntary organisations to undertake innovative work.⁸⁴ The 1991-report on the bilateral part of the Women’s Grant concluded that in some cases the activities have directly or indirectly had a wider impact on society and perhaps also in that sense contributed to change existing gender relations, and in a few cases contributed to changes in policies of national governments or seem to be leading up to such effects.⁸⁵

One evaluation also stated that it was difficult to conclude that any activity or specific measure were good to women, when there were no data available on the short and long-term effects or impact,⁸⁶ and calls for impact analyses as integral parts of project implementation so that assumed benefits for women can be empirically verified.

In only a few reports the authors have found impacts to be negative in terms of WID: as regards the Tanzanian Institute of Development Management the evaluation concluded that gender issues were not dealt with in such a way that women experienced that their rights and concerns were being met.⁸⁷ The NORAD supported Rural Water Supply Programmes in Zimbabwe had contributed little to progress in terms of female influence on the programmes, related to the general climate for women to take on responsibilities in Zimbabwe. Yet, in the communities women were the main beneficiaries to the extent that water fetching labour has been reduced.⁸⁸

According to a SIDA evaluation from 1990,⁸⁹ gender issues were rarely raised in the early years of the agricultural development programme in Mozambique (MONAP). From 1980, however, concern has been expressed about the disadvantageous position of women, particularly in the family. But no sustained effort was made to channel benefits explicitly to women or develop a gender strategy. Even more severe are the criticisms articulated in project reviews from Turkana, Kenya.⁹⁰ The programmes were supposed to give particular attention to the role of women, but Turkana Rural Development Programme seems largely to have failed to let Norwegian aid benefit women. It was found that it

⁸⁰ Evaluation Report 3.88, pp. 6, 71–77.

⁸¹ Evaluation Report 5.88, p. 100.

⁸² Evaluation Report 7.88.

⁸³ Evaluation Report 6.88.

⁸⁴ Evaluation Report 2.89, p. 8.

⁸⁵ Evaluation Report 3.91, p. 8.

⁸⁶ Evaluation Report 6.88, pp. 9, 29.

⁸⁷ Evaluation Report 5.89, p. 92.

⁸⁸ Evaluation Report 7.89, p. ix.

⁸⁹ Moore et al. (1990).

⁹⁰ Country Study.

was a failure not to accord women a satisfactory role in the irrigation scheme. The women were particularly affected by poor performance in the fisheries and in the livestock sector where the role and interests of women seem to have been disregarded altogether. The only positive examples seem to be within afforestation and curative health services.

The evaluation of Norwegian assistance to the energy sector of SADCC countries⁹¹ pointed out the fact that Norwegian commitment to wood energy investment remained marginal – in spite of the dominance of wood in the SADCC regional energy system and Norwegian stated policy goals of focusing on basic needs, environment and women.

Management of the environment

Protection of natural resources and the perspective of ecology in general were first specially emphasised in the aid policy paper *St.meld nr. 36 (1984–85)*. Today management of the environment is a very central principle of Norwegian development assistance. As a consequence more projects and programmes have an environmental component and other sectors of development assistance are more extensively valued according to their impact on environment.

Relatively few of the reports studied include environmental aspect. Less than one third of the MDC/MFA evaluations and one sixth of the project reviews and other evaluations cover effects on the environment. We will first refer to some studies which are mainly positive in their descriptions and assessments:

The only report that tries to estimate the economical value from ecologically oriented activities in a development programme is the evaluation of a road programme in Tanzania. The project was found not to have had any adverse effects on the environment; on the contrary there were major environmental benefits by preventing erosion of the road network. These benefits had a conservatively estimated current value of some 600 mill. TAS for both regions.⁹²

The fisheries resource research programme, “Dr Fridtjof Nansen”, was aiming at assisting the development countries in protecting their renewable resources.⁹³ The evaluation stated that the programme had contributed to

the long term building up of knowledge of the world’s marine resources, and the establishment of a scientific foundation for a rational exploitation of marine resource by developing countries.

The evaluation of dairy sector support to Zimbabwe found that the programme was strongly oriented to making the best use of natural resources in different environmental situations. Although more formulated as an objective rather than a result of an effect of the programme, it was found that the broadly based approach of the programme seeks to ensure its sustainability, from an environmental, management and sociological point of view.⁹⁴

Not very surprisingly, the evaluation of the special grant for environment and development found that most Grant activities have contributed to create better understanding of the need to protect the environment. The Grant had contributed to a shift in focus of Norwegian development assistance to environmental issues.⁹⁵ Part of the Grant was used as assistance to IIED/LEEC. This was found to have altered and affected international awareness, attitudes and thinking regarding follow up issues and operationalising of WCED recommendations. However, both as regards the part of the Grant administered by NORAD, and the part executed by IUCN, it was found that institutional development was not taken sufficiently into account. IUCN in particular was criticised for not strengthening local competence and institutions. As regards the multilateral part of the Grant it was found to have had a significant additionality and catalytic effect in the World Bank. It had contributed to institutionalising research, methodological approaches and had strengthened emphasis on ecology economy linkages at micro and macro level in the Bank. Environmental awareness within the Bank had accelerated, and this also affected recipient negotiators (ibid. p. ii).

Some studies reported both negative and positive effects: a large scale programme which had ecological considerations among its basic objectives, was the Sahel-Sudan-Ethiopia Programme (SSE). The evaluation did not include much on ecological effects of this programme. Despite the emphasis upon environmental rehabilitation within the programme, there was little attention given to ecological sustainability in the project

⁹¹ Evaluation Report 4.90.

⁹² Evaluation Report 3.88, pp. (6, 78–79).

⁹³ Evaluation Report 4.89 p. 4.

⁹⁴ Evaluation Report 9.89 p. xi.

⁹⁵ Evaluation Report 5.91, p. (i).

activities overall and there were few attempts to ensure that indigenous activities were ecologically sound.⁹⁶ A major weakness in most of the SSE projects had been the lack of an awareness of the need for, and potential of, improved natural resource management for addressing the ecological problems which were faced (ibid. p. 93). The evaluation team's overall conclusion was that the potential of the SSE programme had not been fully exploited. But individual projects had contributed in varying degrees towards the realisation of the overall objectives, i.e. improved food production and the development of sustainable production systems (ibid. p. 12). The programme had only a limited impact upon the partner NGOs, in Norway and in the recipient countries, in terms of the development of strategic thinking concerning food security and environmental rehabilitation, and in the development of integrated approaches for addressing these issues.

For the rural water supply in Zimbabwe the evaluation team did not observe adverse environment effects.⁹⁷ The same was the case of the Mini-Hydropower Plants in Lesotho.⁹⁸ Also for telecommunications in the SADCC region the evaluation concluded that to establish and operate telecommunications systems create few environmental problems.⁹⁹

Norwegian contributions to agriculture and rural development in the Northern Province of Zambia have since 1977 totalled more than NOK 400 mill.¹⁰⁰ Such large scale programmes, of course, have many effects, positive and negative, on the environment. The project review refers to different effects of several components of the programmes. Fish farming was found environmentally sound, while the increased maize production (maize boom), as a consequence of programme inputs, might negatively affect the acidity of the soil.

Two reports point out negative environmental consequences: the evaluation of Mbegani Fisheries Development Centre in Tanzania stated that to some extent the programme had disturbed fishing grounds.¹⁰¹ Within the Botswana Accelerated Rainfed Arable Programme (ARAP) NORAD had contributed mainly to destumping activities. According a report this particular part of

the programme seems to be specially negative in terms of effects on nature, contrary to NORAD's intention of taking ecological considerations: "... current extensive agricultural practices, which are reinforced by the destumping programme, do not include conservation measures which would control accelerated soil erosion ... soil erosion will increasingly become a problem" (...) "the scheme has increased the rate of deforestation and the problem of woodland availability".¹⁰²

Finally, some studies fail to draw any definite conclusions. One case is the Norwegian assistance to the energy sector of SADCC countries. The impact on the environment of the hydropower development schemes was difficult to judge since there is no formal environmental impact analysis statement (EIA) against which to judge project operations.¹⁰³ A report on Turkana Rural Development Programme found that "NORAD has shown itself to be commendably willing to finance research and environmental monitoring projects. This has not been matched, however, by any evident capacity by the programme nor by NORAD to absorb the implications of the research in its approach to development planning".¹⁰⁴

The information on RUDEP, the Rukwa Regional Integrated Development Programme in Tanzania, is too limited as basis for any firm conclusions. In a forestry sector project in Tanzania, (HASHI), environmental concerns underlay the whole programme. But in the project area there were other environmental harmful processes ongoing, such as charcoal production. If significant controls of this is not instigated, the report states, then this makes a mockery of any conservation efforts by HASHI.¹⁰⁵

The last observation is due for many other activities as well. Although Norway can establish some good examples in projects and programmes, there are more important and stronger processes actively affecting environment and nature. More will perhaps be achieved in policy development and institution building projects in close cooperation with central authorities in recipient countries.

⁹⁶ Evaluation Report 2.92, p. 93.

⁹⁷ Evaluation Report 7.89 p. ix.

⁹⁸ Evaluation Report 1.90, p. 109.

⁹⁹ Evaluation Report 3.90, p. 15.

¹⁰⁰ Samset et al. (1990).

¹⁰¹ Evaluation Report 4.86, pp. 8-9.

¹⁰² Eskeli (1989), pp. 3-4.

¹⁰³ Evaluation Report 4.90, p.16.

¹⁰⁴ Sørbo et al. (1988), p. 17.

¹⁰⁵ Barrow et al. (1992).

Protect human rights and promote peace

These issues are understandably not dealt with in most of our material, as they are rather recent objectives of Norwegian development assistance. However, concern about human rights is expressed clearly in the Sri Lanka country study: "It follows that consistent patterns of gross violations, mass killings, extra-judicial executions and torture are all important factors to take into account when forming intergovernmental relationships. In relation to human rights, non-intervention cannot be maintained as an acceptable principle. This has been at the heart of the debate in Norway on future development assistance to Sri Lanka."¹⁰⁶ "Norwegian aid, however, would probably have few long-term programmes in few countries, and therefore, also few successes, if Norway had reacted by withdrawing its aid whenever and wherever human rights have been violated. In its dealings with a main recipient country like Sri Lanka, Norway must also keep in mind the broader, long-term issues involved in any aid relationship (ibid)." Neither the Sri Lanka country study, nor the many other country studies which also discussed human rights issues, drew the conclusion that Norwegian aid should be withdrawn.

The team has discovered only one case in which the discussion of a project has referred to a human rights issue, the Population and Family Health project in Bangladesh.¹⁰⁷ In the middle of the 1980s there was a debate amongst the donors which *inter alia* covered "the balance between permanent and temporary (family planning) methods; the quality of the services including the provision of information relevant for the client's choice of methods; and the effects of the system of incentives, "compensation payments" and sanctions on the profile and performance of the programme." The critical issue was if the incentives offered both family planning staff and clients would lead to non-voluntary sterilisations which would mean an infringement of basic human rights. Sweden withdrew from the programme due to its dissatisfaction with both this and other aspects of the programme (but it should be added that conditions have changed and Sweden is again one of the co-financiers of the programme).

It should be recalled that also economic and social rights, including the rights of women and children, are parts of human rights, and Norwegian efforts to promote these have been dealt with elsewhere in this chapter.

¹⁰⁶ Country study, p. 5.

¹⁰⁷ Country Study, p. 143.

As regards promotion of peace the team have not found any direct mentioning of this issue in the many studies which have been reviewed. It can be disputed whether Norwegian and Nordic support to the SADCC countries was meant to "promote peace" through making those countries less dependent on, or preferably independent of the then apartheid state of RSA. In one evaluation there was a discussion of whether the establishment of telecommunications between the SADCC countries had made them less dependent on RSA also in the area of trade, and the answer was negative.¹⁰⁸

Promote Norwegian interests

We have interpreted promotion of Norwegian interests in the narrow sense as economic and commercial interests. On this issue we have found nine studies which include some interesting and revealing information. It is evident that commodity aid (not import support) under which NORAD, Oslo undertakes the purchases of goods to be delivered to the partner countries, will give Norwegian firms short-term benefits in the form of sales. In one of the studies of commodity aid and import support it was observed that Norway was the country of origin of 80 percent of all commodities despite no formal tying.¹⁰⁹ The team have not found any indication in the studies of commodity aid which suggests that Norwegian exporters have gained new footholds in the recipient countries as the results of deliveries under commodity aid. In the case of Sri Lanka the opposite is stated in the country study: it has only had a temporary effect on stimulating exports from Norway: no long-term effect.¹¹⁰ Deliveries of Norwegian goods have, of course, taken place in a large number of Norwegian assisted projects. In the case of the dairy sector programme in Zimbabwe such deliveries started as commodity aid before the project was initiated.¹¹¹ However, in some cases Norwegian business interests may not have been favoured. Our material includes one such case, the supply of a telecommunication system for the Bangladesh Railways. When bids from Norwegian firms turned out to be far higher than the estimated costs, international tendering was opened and the contract went to a British firm.¹¹²

Norwegian consultancy firms have undoubtedly benefited considerably from Norwegian development aid. 30

¹⁰⁸ Evaluation Report 3.90, p. 5.

¹⁰⁹ Evaluation Report 8.89.

¹¹⁰ Country Study, pp. 93-104.

¹¹¹ Evaluation report 9.89.

percent of the expenditure on aid to the inland water sector in Bangladesh was spent on pre-studies and planning of projects, of which very few were implemented.¹¹³ As regards the Mbegani Fisheries Development Centre in Tanzania it is stated quite bluntly that those who mainly gained were Norwegian industry and consultancy companies.¹¹⁴ As in the case of deliveries of goods, our documentation does not suggest that long-term gains have been assured in this manner. This seems, for example, to be the case for the consultancy funds in Central America and the Caribbeans.¹¹⁵

Two evaluations deal with direct support to Norwegian business. The several investment promotion programmes have partly been operating for a long while: investment guarantees since 1963, support for pre-investment studies and infrastructure since 1967, credit scheme since 1979 and support for training since 1983.¹¹⁶ The results of these schemes are modest: 328 pre-investment studies were granted during 1976–85 of which 133 were not reported upon, and only 16 resulted in investments. During 1980–86 25 investments/new ventures were granted loans of which 3 were later closed. Since 1978 6 projects had received infrastructure support and 17 had received training support. The evaluation team studied 12 projects in more detail, and observed that for all projects there has been a positive welfare effect for the recipient country. However, most of the projects, which appear to be profitable, would have been realised even without NORAD support, and the evaluation concludes that the support was not an efficient use of aid resources.

Parallel financing and mixed credits are aid funds, established in 1983 and 1985 respectively, which tie certain purchases for development projects to Norwegian sources. The evaluation of these funds concludes that they could have contributed to opening Norwegian export sectors to markets in some countries – at least in the short or medium term. They have also made it simpler for Norwegian sectors to deliver tenders in international competition.¹¹⁷ But also in this case there are no indications that they will have a long-term impact on Norwegian business opportunities in developing countries.

¹¹² Country Study, pp. 159–161.

¹¹³ Jerve (1991), p. vi.

¹¹⁴ Country Study, p. 228.

¹¹⁵ Evaluation Report 5.86.

¹¹⁶ Evaluation Report 4.87.

2.4 Conclusions

The review has clearly demonstrated that development aid is difficult. The intentions of virtually all the activities reviewed have been commendable, and also relevant to problems faced by the recipient countries. In spite of the disappointing performance of a number of projects in relation to important Norwegian development aid goals the team have not found any instances of activities which the various evaluators from the outset would have assessed as irrelevant or inappropriate. When results have not been as expected, there have been other reasons which we will discuss in chapters three and four.

To promote economic growth, and improved living conditions for the poorest sections of the populations in the recipient countries are unquestionably the basic objectives of Norwegian development assistance.

Economic growth is promoted either directly through assistance to goods production industries in particular, and indirectly through improved physical infrastructure and operating conditions in sectors which facilitate economic growth in general. Our review of studies has clearly shown that in these cases has Norwegian aid only to a limited extent had a direct influence on productivity and production in agriculture, forestry, fisheries, mining and manufacturing. Some short term impact on production may have resulted from deliveries of imported inputs to agriculture and manufacturing through commodity aid and import support.

However, the potential for economic growth has undoubtedly been increased by aid to strengthen the physical infrastructure and management in land and water transport, telecommunications and electricity supply and distribution. Not all projects in these field have been successful, but in general good quality physical structures have been built or installed. However, none of our studies have provided any serious analysis of whether the improved infrastructure has led to higher growth in other sectors, or to improved living conditions of the poor which should be the second major indirect effect of more efficient public utilities. In chapter three we will raise the question if these achievements are sustainable.

Improved living conditions for the very poor are to be promoted directly as well as indirectly through im-

¹¹⁷ Evaluation report 1.89.

proved health conditions, family planning and also through education and training which also is an objective in itself. The general lack of impact studies in all our documentation makes it impossible to assess with any degree of certainty whether many very poor people have found their living conditions improved through the reviewed aided activities. We know for sure that a number of people have had temporary improvements in income, e.g. through work on development projects, but we know very little about longer term effects. The cases which we reviewed also show that Norway like other donors rarely can reach the very poorest of the poor through development activities.¹¹⁸ As regards health and family planning we have found in our studies that most such activities function reasonably well, but once more our studies have very little to tell about changes in health conditions or in the number of children per woman. There are many successful examples of aid to education and training, but little information on whether better education and more training have led to improved living conditions for many poor people.

As regards the five additional objectives which we have listed in the beginning of this chapter, we have already referred to *education and training* as a means to improve welfare. But it is also an instrument for *transfer of knowledge*, and in this area the picture is mixed. Many projects have a training component, and our review has shown that in some cases the training provided appears to have enabled people in the recipient countries to maintain and operate the assets created by the projects. But in too many cases the answer is negative: either expatriate assistance must continue until the training objectives have been reached, or the project itself will not be sustainable. A weak point in efforts to transfer knowledge has been the use of technical assistance: experts, the volunteer service and consultants. Far too often the foreign personnel have undertaken jobs in place of local people, and have not trained people to take over the job after them. This is not exclusively the fault of donor nations: due to paucity of qualified personnel the recipient countries are often unable to provide "counterparts" who should continue the work after the expatriates had left.

Promote the role of women in development is an ambitious objective in countries of a different cultural background. Our studies show that the best way of reaching

this objective is to assure that women will have their roles to play in all types of aided development activities. This strategy has been followed to an inadequate extent according to the documents we have reviewed. By comparison to the bulk of the development assistance, activities directly targeted on women only are small, and the studies have no examples of clear successes in this area.

The *promotion of responsible management of natural resources and the environment* has only recently become a major Norwegian aid objective. But even older projects have examples of good efforts to protect environment, but some few represent a potential threat to the maintenance of natural resources. The use of the Special Grant for Environment and Development is considered to have had some important beneficial effects, but to have failed in institution building.

The studies have in general not dealt with *promotion of human rights and peace*, except in so far as the social and economic rights of the poorest, the women and children also are parts of the human rights to be promoted.

Finally the available studies show that direct efforts to *promote Norwegian business interest in developing countries* seem to have had very little effect, in particular as regards a potential long term impact. However, through commodity aid, deliveries to Norwegian projects and contracts for consultancy services many Norwegian businesses have derived distinct short-term benefits from Norwegian aid.

In short, the review of the studies has told us that improved physical and social infrastructure (i.e. strengthened institutions in health and education) are the most important "monuments" over Norwegian aided activities covered in this report. The studies fail to tell us anything on the impact on economic growth, living conditions of the poor, and the health of mothers and children. This significant weakness of the studies is not the fault of their authors, but of the agencies which implement projects – in Norway and in the recipient countries – which have not undertaken impact studies. However, as shown in chapter three, we know much more about actual achievement in relation to immediate objectives.

¹¹⁸ Humanitarian assistance and other relief efforts are, of course, targeted on poverty stricken groups much more directly.

3. How successful are the reviewed aid projects and programmes?

There is no agreed standard on success for development aid projects. This is partly because many or most activities are trying to achieve several objectives at the same time, such as undertake physical construction; train personnel; establish or strengthen institutions; improve skills, experiences; create or improve awareness; improve the wellbeing of target groups; or even start processes of change. Few projects will achieve all their objectives equally well, and it is seldom clear which weights should be attached to the several objectives. At the same time, success cannot be measured only in terms of goal achievement. It will also depend on the extent of positive or negative side effects, and on whether there are any dynamic long term effects. This is again linked to whether the activity is sustainable or has led to a sustainable development process. Finally, the degree of success will necessarily depend on whether the project has been efficient and cost-effective, or too costly.

Practically all evaluations and other reviews and studies of development aid projects also suffer from insufficient data material, and unclear statements of objectives, which make precise measurements of goal attainments impossible. Accounts must be taken of the fact that many effects also are strongly influenced by other factors than the aid financed intervention, including the context under which activities have been implemented.

The low degree of sophistication of the studies we have consulted means that we in this chapter apply simple methodologies in order to identify the degree of "success" of the Norwegian aid activities reviewed, based on three sets of criteria: their *effectiveness* or degree of achievement of stated objectives; their *efficiency* or cost-effectiveness; and their *sustainability* in economic, institutional, and environmental terms. These are three of the five standard evaluation components.¹ We have not included *relevance* as it has not been questioned to any significant extent in our material, and none of the studies present firm evidence on *impact*. As elsewhere in our report, we are basing our judgments on the findings of the available studies and thus by implication on the methodology (or lack of such) in these studies.

3.1 Aid effectiveness: Do projects and activities achieve their objectives?

Our first criterion for success is whether the project or activity supported by aid fulfilled its stated objectives. This is what evaluators call *effectiveness*, cf. the OECD definition of the concept as "a measure of the extent to which an aid programme attains its objectives".²

This is not an easy or clear cut criterion. First, what are meant by objectives? These are often defined as outputs, immediate objectives and long-term objectives. The distinction between outputs which in principle are easy to measure, and immediate objectives is not always clear. The number of wells and pumps installed is clearly outputs, but the number of people using them is an immediate objective. Shall we use the attainment of outputs or immediate objectives as a measure of effectiveness? In many instances we must limit ourselves to outputs for lack of information. As regards attainment of long-term objectives, it will normally be linked to the impact of the project, and we will necessarily have to omit taking them into account. Second, there is the problem of unclear objectives. The objectives may be inadequately stated. In terms of the logical framework approach there may be very general development objectives, and planned outputs, but no immediate objectives relevant to the project. There are often multiple objectives. The objectives may often be in vague terms of "increase production", "strengthen an institution" or "create employment", with no indication of figures or other measurable goals. We shall primarily be looking for achievements in relation to the *immediate objectives* which often relate to the expected short-term effects of the activities. In several studies, however, effectiveness is often related to achievement of *planned outputs*.

Moreover, if an aid project is not seen to have achieved its objectives, this may be caused by several factors outside the control of those who implement the project. One of these is the tendency in many aid projects to be overambitious and unrealistic in setting objectives for expected achievements. But failure to reach the objectives may also in many cases be caused by unforeseen events. If they could not have been foreseen, such

¹ Cf. chapter 1, p. 5 and MFA (1993).

² OECD (1986), pp. 72–73.

as political instability, civil strife, war or natural calamities, they should be accounted for as explanatory factors outside the control of those who have planned and approved the project. But other “unforeseen” events, such as lack of adequate personnel in the host countries, cannot be used as excuse for weak project performances.

The studies in our material all (with very few exceptions) include statements and conclusions on the achievements of objectives of projects and activities. Sometimes there are very clear cut statements and conclusions; in other studies the statements are less precise and more difficult to interpret.³ We have tried to relate the degree of effectiveness to some kind of overall goal achievement, or a summary of achievements for various objectives. On the basis of these statements and conclusions, we have been able to classify the projects and activities as to their degree of goal achievement, as follows:

Table 3.1

Projects and activities by degree of goal achievement

High or very high effectiveness:	13 projects
Acceptable effectiveness:	33 projects
Mixed or uncertain effectiveness:	21 projects
Low or very low effectiveness:	24 projects
No indication of effectiveness:	3 projects
Total:	94 projects

On the basis of available studies, we have found that approximately half of all aid projects had an acceptable or even high degree of effectiveness (46 out of 91 for which enough information was available), while the other half had more mixed, uncertain or low goal achievements (45 out of 91). More than a quarter was found to have low or very low effectiveness.

We shall first take a closer look at those projects that we have found could be classified to have high or very high effectiveness, and then those with low or very low effectiveness.

Aid activities with high apparent effectiveness

There was quite a variety of projects and aid activities found to have a high or very high degree of goal

achievement, according to our interpretation of the studies, and some of these were perhaps a bit surprising to many.

The two regional rural development programmes in Hambantota and Moneragala in Sri Lanka, HIRDEP and MONDEP, have long been considered among the most successful programmes supported by NORAD. This is confirmed by the available studies. Both were found to be very successful in terms of implementation, and physical and financial progress. “In terms of tangible results HIRDEP achievements have been very considerable.”⁴ “The innovative capacity of HIRDEP stands out as its main organisational achievement (ibid. p. xv).” “HIRDEP support to human resources development has been considerable. The most lasting impact will come from the support to strengthening of local institutions, and the training of local leaders, entrepreneurs, women’s groups, etc. (ibid.,p.xvi).” “MONDEP is considered to be one of the most promising IRD programmes in Sri Lanka.”⁵ Both programmes have been strongly integrated in the Sri Lanka regional administration and manned and managed by Sri Lanka nationals, supported by only a few Norwegians (or other foreigners) and funded by NORAD.

The district roads labour intensive improvement and maintenance programme in Botswana has also often been heralded by NORAD as a successful example of applying labour intensive technology, and the methodology has been attempted transferred to other projects.⁶ The project has “largely been successful in achieving its goals (CS, p.200)”; in improving the standard of almost 2,000 km of rural roads during 1987–90; and thereby improved access to the main roads leading to major villages for shopping, schools, clinics, etc (Solberg p.22). According to the studies, savings in operating costs for vehicles due to the improved roads justifies the costs of this maintenance, and the labour intensive road maintenance is cheaper than the equivalent roads built by machine intensive methods, in economic terms (ibid. p.41). In the process, employment has been created for some 3,000 casual labourers, whose incomes and standard of living have improved. Finally, NORAD has been instrumental in establishing the Rural Roads Division as an organisation capable of undertaking both planning and construction activities,

³ As already stressed in chapter 1, we are aware that our interpretations represent a source of possible misunderstanding and misrepresentation of the evaluators’ intentions.

⁴ Evaluation Report 4.91, p. 63.

⁵ Country Study, p. 115.

⁶ Solberg et al. (1990); Country Study pp. 194–200.

and of developing a road standard specifically designed for Botswana's climatic and geographical circumstances (CS p. 197). The project has been fully integrated within the responsible ministry in Botswana.

The Turkana rural development programme in Kenya has not been successful in general terms, but the education component which was implemented by the Norwegian NGO Redd Barna, has received very favourable assessments. "The project seems to have achieved or be about to complete all it set out to do... one reason why the project has been so effective is that it has been a separate unit with its own ample funding and clearly defined tasks."⁷

Another activity in Kenya was also found to be highly effective, the Rural Development Fund (RDF) which is a Kenyan institution providing small loans for agriculture and other rural projects. According to the Country Study, "RDF has developed into a unique and basically efficient instrument for providing aid to underprivileged groups scattered all over Kenya (p.193)." At the time of a project review in 1989 there were innumerable successful projects in RDF, according to the Review.⁸ Although projects in some areas (water supplies and afforestation) are singled out as having high failure rates (ibid. pp. 46 and 49), the Review Mission found that the RDF was an effective programme responding to the needs and wishes of the rural population (ibid. p. 3). The Fund has been supported jointly by the Nordic countries, with DANIDA as the lead agency.

As many as three projects concerning forestry (of which two are treated by us as assistance to the manufacturing sector) seemed at the time of the studies to have been very successful in reaching their objectives: The Faculty of Forestry of the Sokoine Agricultural University in Morogoro, Tanzania, the Sao Hill Sawmill in Tanzania, and the forestry and sawmill project under the development programme for Northern Province in Zambia. The general conclusion of the Project Review undertaken in 1990 was that the establishment of the Faculty of Forestry has been very successful. It had well qualified staff, and since the start more than 300 B.Sc and 57 M.Sc. had graduated from the Faculty. There was a great need for candidates coming out of the faculty.⁹ The Sao Hill sawmill, also in Tanzania, is one of the few industrial ventures in which NORAD has been di-

rectly involved. The project succeeded in establishing the sawmill based on raw material from a nearby plantation. The objectives were mainly production oriented, and from a perspective of growth the Sao Hill sawmill is one of the most successful major projects assisted by NORAD in Tanzania, according to the Country Study (p.251). The choice of non-automated technology has been basically good, and the sawmill was making increasing profits from 1981 to 1987 (latest year available, ibid. p. 245). The training component was not so successful, however, and there has been problems in organisation and management (ibid. pp. 247-49). The forestry and sawmill project in Northern Province in Zambia was only a small intervention, but in many respects highly successful and sustainable, according to the project review.¹⁰ This sawmill responds to a genuine demand in the market for soft timber, and is based on a natural resource established for the purpose. The objectives were purely economic, and the mill was producing in 1989 at 77 per cent capacity, while operating at a 20 percent profit margin. NORAD provided investment finance for equipment at an appropriate technology level, and there was no foreign personnel involved.

The rural electrification project for Zanzibar in Tanzania has been able to provide a reliable electricity supply to villages and rural areas in Zanzibar. The Evaluation Study concludes:

The project was effective and on schedule; the economic aspect has been favourable, the electrification of water pumping, health, education, and other rural services has produced more reliable supplies at a cheaper price, with notable foreign exchange savings. The project is clearly an example of a well-planned and well executed project; a conclusion which crucially also applies to the training component.¹¹

The most remarkable feature of this success story is perhaps that it occurred in a period when most other activities and projects in Tanzania were characterised by low effectiveness and low morale.

In India the Integrated Child Development Services (ICDS) was initiated by the Indian government and UNICEF, and has later been supported by Norway in

⁷ Sørbo et al. (1988), p. 65.

⁸ Bukh et al. (1989), p. 46.

⁹ Brock-Utne et al. (1990), p (i).

¹⁰ Samset et al. (1990), pp. 72-73.

¹¹ Evaluation Report 4.90A (summary), p. 54.

some districts in Uttar Pradesh. The ICDS programme consist of small village-based welfare services centres for children of age group 0–6 years, and for pregnant and lactating mothers, by providing supplementary feeding, immunization, health check-up, nutrition and health education, pre-school and non-formal education. According to the Country Study, this programme is considered one of the most successful in reaching the poorest and most vulnerable sections of the society (p. 102). The NORAD-funded model buildings were found to be of low cost, spacious, with plenty of light and open spaces for the children to play, and thus increasing the efforts and efficiencies of the crucial *anganwadi* workers, and the whole programme.¹²

In Bangladesh Norway has supported a Management Development Unit within the large population and family health programme co-financed by many donors under World Bank coordination. A recent project review¹³ does not cover the larger population programme which is not particularly successful in all respects. This unit, however, represents an example of a largely successful effort to improve the management quality of a donor financed public health programme. The unit was established with the specific objective to improve the effectiveness of Bangladesh major family planning programme, primarily through a process of building management capacity. The effectiveness of the approach made the review team suggest that it should be applied to management of other primary health care activities in Bangladesh as well. The MDU has beyond doubt achieved much of what it set out to do.

In Bangladesh also the commodity aid and import support programmes received in important respects a favourable assessment in an evaluation report.¹⁴ With only a few minor (but serious) exceptions, the commodity aid/import support was found to be an effective form of quick disbursement aid, which in the short run has assisted in keeping the economy moving, and in many cases increased its output, employment and national income. *Per se* this has also had a long term impact in that it helps to make a further increase in investment, output, employment, and income possible (ibid. p.71). None of the programmes for commodity aid/import support in other countries are regarded as favourably as the programme in Bangladesh, but this is partly caused

by dissimilar emphasis on different objectives of the programmes, and this is discussed in chapter 4.

Finally, the programme conducted by the fisheries research vessel “Dr. Fridtjov Nansen” has been found to be highly effective in reaching the objectives of making surveys to appraise the fish resources. The vessel has been operating world-wide for 15 years under a joint UN/FAO/Norway arrangement managed by the Institute of Marine Research in Bergen. The evaluation report¹⁵ found the coverage to be very impressive, that the training components and collaboration arrangements with host institutions had been satisfactorily improved, and that the vessel in many cases provided the only reliable source of information on fish stocks and resource availability. The findings of the “Dr Fridtjov Nansen” often had a decisive impact on fishing industry development plans in the respective countries (ibid. p.25). But as pointed out in chapter 2, in spite of its effectiveness in reaching its own primary objectives, it failed to meet some main Norwegian development objectives.

Out of the above 13 cases it is difficult to find a clear pattern, and they do not fall into only one or two sectors or forms. They consist of relatively small as well as large-scale projects, and involve local rural as well as more national macro-economic programmes. Tentatively there may seem to be two crucial aspects of the above aid activities;

- a) Most of them are well integrated into local or national institutions which have a strong interest in and control over the activities, while the donor provide support in an open dialogue of cooperation.
- b) In most cases they have utilised appropriate technology consisting of labour intensive, nonautomated and basic equipment.

Aid activities with low or very low apparent effectiveness

There were as many as 24 aid projects and activities in our material for which the studies pointed out so many shortcomings that we concluded that they had achieved very few if any of their objectives.

Five commodity assistance/ import schemes were found to have very few effects on the expected objectives. In

¹² Bergrav et al. (1989) p. 18.

¹³ Møgedal (1990) .

¹⁴ Evaluation Report, 7.86.

¹⁵ Evaluation Report, 4.89.

India and Pakistan part of the commodity assistance was earmarked for paper for schoolbooks in order to improve and increase the availability of textbooks, especially for poor students. The project reviews found no such effects, and concluded that the Norwegian supply of paper to India was a straight grant to the government of India, without any educational consequences. (Kuløy (1991a), p.31) In Pakistan there was no shortage of ordinary printing paper, and thus no need for Norwegian paper. (Kuløy (1991b), p.56). The case of fertiliser deliveries to Pakistan was very similar, as the Country Study found this to be budget support for the Pakistan government, without any additional impact on agriculture (pp. 73–74). The Sri Lanka Country Study also considered the aid to Sri Lanka as pure balance of payments support, combined with a budget support to government of almost the same value. While the above mentioned study of Bangladesh found this form of support very efficient and effective, the Sri Lanka study concluded that the overall objectives of Norwegian aid were not promoted by direct and unconditional support to the government of Sri Lanka. The study also concluded that the commodity aid had not been effective in promoting Norwegian exports and trade links with Sri Lanka, neither had the import support had any impact on Sri Lanka's trade with other developing countries. The Evaluation Study of Norway's commodity assistance and import support to Tanzania¹⁶ found that this support might have had a positive impact on production in the manufacturing sector. However, the support had not contributed to increased net earnings nor savings of foreign exchange, but on the contrary led to increased import dependence.

While some rural development programmes referred to earlier were rated high in terms of effectiveness, at least 7 programmes receive very low marks. These include the Accelerated Rainfed Arable Programme (ARAP) in Botswana, the Orissa fisheries district development programme in India, the irrigation agriculture and fisheries components of the Turkana programme in Kenya, the Rukwa integrated development programme in Tanzania (RUDEP), the Mozambique Nordic Agricultural Programme (MONAP), the multi-faceted Sudan-Sahel-Ethiopia (SSE) programme, the Production and Employment Project under Rural Employment Sector Programme (RESP) in Bangladesh. For most of these programmes, the studies found few effects and low impacts in terms of the objectives. The Botswana Country Study

¹⁶ Evaluation Report 4.88.

states that "it is difficult to understand why NORAD, with the benefit of hindsight, and therefore aware of all the possible negative consequences, still chose to assist in financing the ARAP programme." (p.242) The Orissa study team found the poverty problems to remain fairly the same, and that the aim of creating employment had been met only temporarily.¹⁷ In Turkana the situation was even worse, as the strategy to provide destitutes with alternatives to pastoralism, through fisheries and irrigation, had largely failed, cf. the sentence which we have already quoted: "After 20 years ... the population on the irrigation schemes have lower incomes, are worse fed, and are worse off than the pastoralists."¹⁸ The project review on the RUDEP programme points out sarcastically, "the absence of tangible results now does not guarantee that there will be some later".¹⁹ The MONAP programme was strongly affected by the war situation in Mozambique, but did not manage to adjust to this and ended up by a continuous institutional pressure to spend, much beyond the capacity to implement activities. And instead of enabling the Ministry of Agriculture to plan and implement agricultural policy on a somewhat holistic basis, the ministry suffered heavily from "projectification".²⁰

Two well-known, and often criticised projects in Tanzania were also found to have achieved very few of their objectives: The Mbegani Fisheries Development Centre, and the TACOSHILI coastal shipping line. The evaluation of Mbegani in 1986²¹ argued that the centre was constructed for a trawler-based fishing much beyond the carrying capacity of the actual fishing grounds. The fishing technology introduced had little replicative capacity, and could hardly be copied by any fishermen at that time in Tanzania. Meanwhile fishing was carried out exactly in the same manner as before the start of the centre. The fishing activity had neither increased nor decreased. TACOSHILI did establish a coastal transport facility, but training was inadequate, the technology of some of the ships was much too complicated, resulting in inferior services. The company was strongly controlled by political bodies, and the "business" side was not given much room for manoeuvre (Country Study, pp.229–243).

¹⁷ Dale et al. (1988), p. 8.

¹⁸ Helland (1987), p. 12.

¹⁹ Manger et al. (1990).

²⁰ Moore et al. (1990), p. 24.

²¹ Evaluation Report 4.86.

The Evaluation Report of Nordic technical assistance personnel to three African countries undertaken in 1987²² was very critical, finding that some 25 per cent of all personnel were not really needed, and that almost 75 per cent were hampered from full effectiveness and did not succeed in the transfer of knowledge. In spite of excellent performance of several aid workers, and the general high professional level, there was a fairly low general achievement ratio, according to the study. Very similar conclusions were voiced in the 1986 Zambia Country Study, which found that NORAD provided personnel at a level that could easily have been Zambianised. It also argues that the "counterpart system" whereby the foreign experts is expected to transfer his or her knowledge to a national counterpart, "has more or less failed in Zambia as it did elsewhere in Sub-Saharan Africa (p.125)."

The provision of stockfish as food aid was evaluated very unfavourably, although some of the supplies undoubtedly reached people affected by drought. But the use of stockfish turned out to be problematic.²³

There are seven more projects which fall in this category: assistance to river transport in Bangladesh, family health clinics in Pakistan, the effects of the Women's Grant in bilateral assistance in Kenya, the support to the navigation and hydrological mapping institutions IN-AHINA in Mozambique, the water supply programme in Western Zambia, the upper secondary school maintenance programme also in Zambia, and the Blantyre city fuelwood project in Malawi. We should point out that the Zambian water supply programme functioned reasonably well in towns, but the performance in rural areas was disappointing, as the system was used to a low degree by the intended beneficiaries.²⁴

The above list of projects and other activities which we, on the basis of facts and opinions expressed in the studies we have consulted, consider not to have reached their objectives to an acceptable extent, is really a "mixed bag", although rural development projects and commodity aid/import support figure prominently amongst them. In this chapter we do not make any attempt to trace common elements in the less successful activities, but some of them are discussed in chapter 4.

One other important factor should be strongly stressed: in most of these projects and activities planned inputs have been used and planned outputs have been attained to a considerable extent, albeit in several cases with delays common to many aided development activities. When these activities have been considered as less successful it is because other important objectives than tangible "outputs" have not been reached. For example, under all five commodity aid/import programmes referred to above, the commodities have been delivered to the recipient countries. Equally, a lot of structures have been created, and formation of groups of poor people undertaken in the seven less successful rural development programmes. Technical assistance personnel has been posted, as planned, and as pointed out above, the majority of them has done good jobs. But all this is not enough if the broader objectives which the tangible outputs should promote, have not been reached.

3.2 Are the projects efficient and cost-effective?

The second criterion for success is what evaluators call *efficiency* which is "an economic term which means that the aid uses the least costly resources necessary to achieve its objectives. In other words, the aid can gain the most result for its economic contribution".²⁵ This is a very demanding definition of the term: it implies that the most cost effective method of reaching the objectives should be chosen, and the cheapest resources available used to implement the activity. Another way of approaching it is to assess if the expected benefits justify the planned costs to reach them. To answer this we have looked to see if the application of some methodology in our source material addressed this question in an acceptable manner. The cost benefit analysis (CBA) is one such methodology, which is being used by several other donor institutions and especially the World Bank. The CBA method requires a strong and stringent set of data for project inputs as well as measurable outputs, and has a number of weaknesses. It is nevertheless the best available methodology for attempting to relate the value of output and future effects + positive as well as negative + to the full costs of a project. Only in such an exercise it is possible to say whether an activity provides net benefits to society or not. The next step would be to find whether an alternative use would have created greater net benefits, and would fully have met the conditions of efficiency.

²² Evaluation Report 5.88, p. 150.

²³ Evaluation Report, 1.86.

²⁴ Samset et al. (1990).

²⁵ OECD (1986), pp. 72-73.

In development aid projects, many of the data required for a CBA analysis are missing, or not collected. Secondly, while the costs may be known, it may often prove very difficult to identify and measure the outcome and effects. As we have mentioned above, the effects may also be unclear and long-term into the future. It is very difficult to measure and value the improved functioning of an institution, the increased awareness and conscientiousness of a group of women, or the feeling of despair when activities fail.

These may be some of the reasons why we have found that Norwegian aid projects hardly ever apply a CBA analysis. Neither do most evaluations, with only very few exceptions in which some attempts have been made on the basis of weak material. A number of evaluations and studies do nevertheless attempt some assessment of the efficiency of the projects, by commenting on costs and cost-effectiveness. In a few cases these comments seem to be based on some calculations and data gathering, while in most cases there are only more or less informed rules of the thumb and common sensical conclusions. A minimum requirement would have been to compare planned and actual costs of reaching tangible outputs, but such a comparison has not been made explicitly either.

The absence of a reliable methodology in the studies, makes it very difficult to obtain a reliable picture of the efficiency and cost-effectiveness of Norwegian aid projects.

Based on the available information in the studies, we have nevertheless made an attempt to summarise their conclusions + however shaky + in order to obtain a picture of how these studies evaluate the cost-efficiency of Norwegian aid. As before, we are aware that there is a further danger that we misinterpret the information in the studies, since these are not always spelt out clearly.

Table 3.2
The cost-efficiency of projects

High or acceptable efficiency	23 projects
Low efficiency (high costs)	33 projects
Impossible to assess, according to study	10 projects
No mention of efficiency in study	28 projects
Total:	94 projects

The most serious outcome of this table, is the fact that as many as 30 percent of the studies do not even mention

the question of cost-efficiency of the aid activity. This seems to relate in particular to projects supported by nongovernmental organisations (NGOs), through the special grants for women and environment, and in several of the rural development programmes, but also to energy and telecommunications projects and others. It is also disturbing to note that in approximately 10 percent of the studies, the attempts of the evaluation study to undertake an assessment of cost-efficiency did not provide any clear answers. This partly relates to large and complex aid programmes with several components and subprojects, where it was impossible to undertake an overall assessment or where the results were mixed. In other cases the lack of relevant data made it impossible to draw clear conclusions.

We are thus left with only 60 percent of the studies with a relatively clear assessment of the cost-efficiency of the projects. Among these, *a clear majority (33 out of 56) were found to have low cost-efficiency*. The studies explicitly stated that for one or several elements in the aid activity, the costs were unnecessarily high, that there was insufficient cost consciousness, or that the results did not justify the inputs. This is particularly clear for the majority of projects with low goal achievement (identified above); the objectives were not achieved, and thus the costs could not be justified.

This particular observation led us to make a comparison between our observations on efficiency and effectiveness:

Table 3.3

Relation between apparent efficiency and effectiveness

Effectiveness	High, acceptable efficiency	Low efficiency
High or very high	9	1
Acceptable	10	4
Mixed or uncertain	2	12
Low or very low	2	16
Total with information on efficiency 56	23	33

The figures in table 3.3 raise the question if our information on efficiency can be interpreted in its ideal meaning, viz. whether the operations which have been undertaken, regardless of whether their objectives have been met or not, have been designed and implemented

in a cost-efficient manner. Success in terms of effectiveness does not by itself imply that success has been reached at reasonable costs. Similarly, lack of success in reaching perhaps over ambitious objectives does not necessarily mean that the activities that have been undertaken have been expensive in relation to the tangible outputs which have been produced.

We have, however, some examples of activities in which the evaluators have questioned the cost-efficiency even though the results in terms of goal achievements were regarded as high or acceptable. The only case amongst the most effective projects is the management development unit of population and family health programme in Bangladesh which Norway co-financed with the World Bank and other donors. The project was an example of a largely successful attempt to improve the management quality of a donor financed public health programme.²⁶ At the same time, it represented a "heavy resource input of technical assistance ... rather high-cost, situation oriented mechanism (ibid. p.13)."

Similar comments were made for several projects in Mozambique. The hydropower projects were relatively successful in achieving their objectives, but at relatively high costs mainly due to the war situation.²⁷ A trial fisheries project achieved its objective of establishing whether the resources would make commercial fishing viable (they were not; thus avoiding overinvestment), but at a price which "seemed to be much too high (Country Study, p.94)." But the assessments of the nautical school in Maputo are most serious: the running costs per student are extremely high, nine times higher than university education in Mozambique, and with an extremely low capacity utilisation, according to the project review.²⁸

Also for the family health programme in Zimbabwe the overall implementation (of creating physical infrastructure) "continues to be highly satisfactory",²⁹ but estimated final costs of hospitals were more than twice the original contract sum. A considerable part of the increase could have been avoided, according to the project review, by more detailed investigations during the planning stages (ibid. pp. 1-2, Annex 1). This is a clear statement that both sides (donor and recipient) have a responsibility for utilising the available funds more cost-effectively. Some of the expenditure for NORIM-

POD, the programme to stimulate imports from developing countries, have also been questioned: buyers missions have had positive results, but some mission could have been replaced by other working methods.³⁰

On the other hand, there are also some activities found to be relatively cost-effective in terms of actual implementation, but with a low level of goal achievement. An illustrating example is the Mbegani Fisheries Development Centre in Tanzania: the construction phase of the project has been implemented successfully, providing quality housing, training facilities and equipment.³¹ Another is the commodity assistance and import support programmes in Sri Lanka.³² In both cases the evaluations found low or very low achievement in terms of stated objectives. But in the second case integration of the programme into the ordinary state machinery, a functioning administration, and the low level of local costs, all combine to ensure a relatively high cost-efficiency.

Another, and surprising, example is the long term programme for improved maintenance of rural roads in Tanzania. It has achieved poorly especially in training and institution building. But the country study nevertheless found that its benefits exceeded costs, and provided a return on investment greater than the opportunity cost of capital in Tanzania, even when the costs of the expatriate staff were included.³³

Table 3.3 which is based on the studies which we have examined, suggests that there is a disturbingly large number of activities which are performing poorly both in terms of effectiveness and efficiency. However, due to the frequently somewhat vague conclusions in the studies on which we have based our assessment, we cannot pass any definite judgment on *individual* projects and activities. Hence our findings do not necessarily imply that a great many activities should be stopped due to a combination of ineffectiveness and inefficiency, though our findings should be cause for concern. One firm conclusion to be drawn from our review of the efficiency question is that projects and other activities should be designed in such a manner that an analysis of efficiency would be possible, and more attention should be devoted to efficiency in evaluations and project reviews. Our findings are also sufficiently worrisome to

²⁶ Møgedal (1991).

²⁷ Evaluation Report, 4.90.

²⁸ Jørgensen et al. (1991).

²⁹ Gleditsch (1990), p. 1.

³⁰ Evaluation Report, 6.87, p. 21.

³¹ Evaluation Report, 4.86, p. 8.

³² Country Study, pp. 93-104.

³³ Country Study, pp. 6, 89-90.

call for a serious investigation into the cost efficiency of ongoing aid activities, and for a better methodology to ensure an acceptable efficiency in the future.

3.3 Are the aid projects sustainable?

Sustainability is the new catch-word in development activities. In particular since the report on *Our Common Future* (the so-called Brundtland report)³⁴ was published in 1987, the term sustainability has been related to the environmental impact of activities and projects. A project is *environmentally sustainable* if it improves or maintains the natural resource base for the population affected by the activities. This concept is relatively new, however, and the objective of promoting responsible management of natural resources and the environment was only introduced in Norwegian aid policies in the mid-1980s. It can therefore hardly be expected that this was considered seriously in previous years, and in projects and activities that were designed and initiated earlier. Also evaluation studies did not undertake any systematic review of the environmental impact or sustainability before in the late 1980s or early 1990s.

There is a broader definition of sustainability, however, which relates to whether the project or activities will and can be continued and managed by local or national institutions and interests when the foreign aid is terminated. This is, after all, the overall goal of all aid financed activities. The evaluators' definition of sustainability, as agreed in OECD, is that a development programme is considered to be "sustainable when it is able to deliver an appropriate level of benefits for an extended period of time after major financial, managerial and technical assistance from an external donor is terminated".³⁵ This rather intricate definition covers maintenance of physical assets created; continued operation of economic activities which have been started; and survival of institutions that have been established. It is, however, common knowledge that a number of aid projects have become almost permanently dependent on continued aid support in terms of money and/or personnel, because they are not well integrated into the recipient's administration; because operation and maintenance have become too costly; because the recipient cannot manage the complicated technology due to insufficient training; or because the recipient authorities simply do not consider it of sufficiently high priority.

³⁴ Brundtland (1987).

³⁵ OECD (1989), p. 13.

There are two main elements in this aspect of sustainability; the economic (or financial) sustainability, and the institutional sustainability. The *economic sustainability* refers to whether the activity is financially viable in the long run; whether it will itself generate the necessary incomes; or whether there will be sufficient funds available from local or national budgets. An activity is *institutionally sustainable* if there are, or will be, sufficiently qualified and trained personnel available when the aid donor withdraws, and if the activity will be sustained by a national or local institution. We have not tried to classify sustainability in relation to such important factors as the socio-cultural environment, political conditions or technology, partly since our material did not enable us to do so, but also because these in themselves are determinants of sustainability of aid activities.

We have thus tried to examine to what extent the evaluations and project reviews have made any assessment of the sustainability of the project activities. The results are summarised in table 3.4. It should be noted that under "uncertain" we have included not only activities for which the studies themselves expressed uncertainty about their viability, but also those which may appear to be either sustainable or not, but where the evidence was so weak that we preferred to classify them as uncertain or mixed. This was *inter alia* the case of positive environmental sustainability in 5 activities.

Table 3.4
The sustainability of projects

	Sustainability		
	Econ.	Instit.	Envir.
High or acceptable sustainability	8	19	7
Low sustainability	26	35	5
Uncertain, or mixed	10	13	6
No mention of sustainability	50	27	76
Total:	94	94	94

Econ: Economic sustainability
Instit: Institutional sustainability
Envir: Environmental sustainability

First, we must caution that table 3.4 is based on a number of relatively uncertain interpretations of the available studies. In fact, most studies do not discuss the question of sustainability at all, and we therefore had to

interpret the statements and conclusions in the studies. Still, we were unable to find indications of any assessment of the environmental sustainability in around 80 per cent of the studies, and likewise no assessment of the economic sustainability in more than half of them.

Table 3.5
Relation between apparent sustainability and effectiveness

Effectiveness	High	Acceptable	Mixed	Low
<i>Sustainability</i>				
<i>Economic</i>				
High	6	1	1	0
Low	1	5	8	12
Uncertain	1	8	1	0
<i>Institutional</i>				
High	10	6	2	1
Low	1	11	6	16
Uncertain	1	9	2	1
<i>Environmental</i>				
High	3	2	1	1
Low	0	0	1	4
Uncertain	1	4	0	1

As in the case of efficiency, we have, in table 3.5, related the degree of sustainability to the degree of effectiveness. The results of this comparison are not surprising at all. A high degree of target achievement is clearly a necessary, but not sufficient condition for economic and institutional sustainability. It is encouraging and somewhat unexpected to see that virtually all high performers in terms of effectiveness appear to have led to sustainable results. The very mixed picture for the second category of «acceptable performers» is far less surprising, as there will necessarily be doubts about the sustainability of a project if it does not attain its immediate objectives sufficiently well.

Environmental sustainability

It may not be so surprising that most studies do not assess the environmental sustainability of an aid activity. As mentioned above, the concern about environmental sustainability was only introduced with any strength since the mid-1980s, and most projects initiated earlier did not include this as part of their objectives or considerations. For the same reason, most evaluations and assessments did not take this aspect clearly into account before in the late 1980s. Secondly

many, if not most, aid activities are not directly affecting the environment. It can be argued, of course, that practically every activity has some environmental impact, but for most projects this impact is very indirect. This is the case for the management of health projects, the delivery of paper for textbooks, social welfare programmes for refugees or plantation workers, most women oriented projects, etc.

We were thus only able to find 18 projects where some sort of an environmental impact assessment had been made. For the majority of these, the evaluation found that the aid activity had a clear or probable positive + or no negative + impact on the environment. This is the case for several of the forest-related projects (The NGO project for forestry development in Pakistan; the soil conservation and afforestation programme in Shinyanga, Tanzania; the forestry and sawmill project in Northern Province, Zambia; and the Blantyre city fuelwood project in Malawi³⁶); for many of the hydropower energy projects (because they help save fuelwood and/or diesel fuel³⁷); and for at least one of the rural development programmes (HIRDEP in Sri Lanka³⁸).

However, it was also found that for at least five projects the impact was negative: This includes the Accelerated Rainfed Arable Programme in Botswana where the des-tumping activities seem to have increased the rate of deforestation and thus contributed to increased vulnerability for erosion.³⁹ Also in another rural development scheme in an ecologically difficult area + the Turkana programme in Kenya + the aid project seems to have exacerbated rather than improved the situation. According to an independent and authoritative project review, as result of outside intervention Turkana became «more, not less, vulnerable to drought».⁴⁰ The review of the Northern Cooperative Union in Zambia claims that the project supported by the Royal Norwegian Society for Rural Development contributed to a maize boom and thus «exerted negative impacts upon the environment and nutritional impact of consumers. (...) The project conflicts indirectly with policies favouring promotion of environmentally sound and sustainable development to the extent that artificial stimulation of maize cultivation has adverse environmental consequences».⁴¹

³⁶ Hammer et al. (1990); Barrow et al. (1992); Jerve et al. (1992); Samset et al. (1990); Evaluation Report 4.90.

³⁷ Evaluation Report 4.90.

³⁸ Evaluation Report 4.91.

³⁹ Eskeli (1989), pp. 3-4.

⁴⁰ Sørbo et al. (1988).

Perhaps most disconcerting is the evaluation of the major Sahel-Sudan-Ethiopia programme which was initiated with a major objective of improving the natural ecological base in order to develop sustainable production systems. According to the evaluation, «there was little attention given to ecological sustainability in the project activities overall ... [and] ... few attempts to ensure that indigenous activities (...) were ecologically sound».⁴²

For the remaining projects and aid activities, the studies do not provide sufficient information on the environmental impact. This is also the case for a large number of activities in forestry, fisheries, rural development and energy development which all clearly do have an environmental impact. We therefore tend to conclude that the available studies do not provide us with sufficient material to enable us to draw any conclusion as to the environmental sustainability of the project activities. There is obviously a need to improve the quality of the studies in this respect.

Economic sustainability

The information and material is somewhat better with regard to the economic or financial sustainability.⁴³ Almost half the studies made an attempt to consider the economic sustainability of the projects. But still, for as many as 50 out of 94 projects we were unable to extract such information. The information available on the economic sustainability of aid activities is therefore clearly insufficient in the available material. The conclusions drawn in our report must therefore be seen as tentative and mostly indicative.

For the large majority of the projects, the studies found that they were *not* economically sustainable. The recipient institution was not able, or willing, to take responsibility for financing the activity, and they would not be generating sufficient revenues or incomes to be self-financed in the near future.

It should be recalled that many projects, programmes or activities are never meant to be economically sustainable *themselves*. This is typically the case of commodity

aid and import support which is exclusively a form of transfer of resources from abroad. But in many cases such programmes may be target oriented towards strengthening specific activities, and our interest is focused on whether these can be sustained without continued aid. Other, or perhaps most, aided activities are meant to continue after the end of foreign aid, albeit not necessarily exactly in the same manner as when they received foreign assistance.

We have not found that any of the targeted commodity aid programmes led to increased sustainability of the particular recipient of the commodities, although a more general observation was made in the case of Zimbabwe: it is claimed that the Norwegian commodity assistance and import support helped to reduce the main strategic bottlenecks in the economy and thus to improve the capacity for an economically more sustainable development.⁴⁴

The large majority of rural development programmes, with some notable exceptions, were found not to be economically sustainable. This is in spite of the objectives of most of these programmes to improve employment and income opportunities in the districts, and create necessary infrastructure for economic development. The Production and Employment Programme (PEP) under the Rural Employment Sector Programme (RESP) in Bangladesh has not been a success «as an effort to create greater benefits to the target group. (...) Bad design is a main part of the problem. (...) The present situation of the PEP is unsustainable.»⁴⁵ In the otherwise successful HIRDEP programme in Sri Lanka the 1990 evaluation stated that there were reasons to believe that future HIRDEP will depend as much on the commitment on the part of NORAD as in the past. HIRDEP has created massive new liabilities, and maintenance of assets continued to be a problem.⁴⁶ In Botswana, the problematic Accelerated Rainfed Arable Programme ARAP has probably made small farmers more dependent on continued government assistance to get the resources needed for arable agriculture, according to an independent study.⁴⁷ The Turkana projects in fisheries and irrigated agriculture were generally unsuccessful, and left most Turkana people «more, not less, vulnerable to drought.»⁴⁸ The large-scale Nordic

⁴¹ Samsset et al. (1990), p. 68.

⁴² Evaluation Report 2.92, p. 93.

⁴³ We are in practice mostly looking at the financial sustainability of the activities, but use the term "economic sustainability" to indicate the broad definition we employ in order to capture maximum information from the available studies.

⁴⁴ Evaluation Report 8.89.

⁴⁵ Hawkesworth et al. (1989), p. 23.

⁴⁶ Jerve et al. (1992), p. 69.

⁴⁷ Børhaug (1992), p. 111.

⁴⁸ Sørbo et al. (1988), p. 12.

Agricultural Programme in Mozambique also suffered from largesse, as the finances available for MONAP generally exceeded the capacity of Mozambican agencies to effectively and efficiently use the money within a limited time period. This produced incentives to make excessive expenditures of various kinds, particularly projects too large for the available technical and managerial capacity.⁴⁹ A very similar situation seems to have prevailed in Rukwa, Tanzania, where «it is not likely that the present level of implementation nor maintenance of RUDEP services can be maintained without further assistance from RUDEP/NORAD».⁵⁰ The independent project review continues, that there is «an increasing dependence in Rukwa on RUDEP funds and an expectation that RUDEP should cover not only investment costs but also recurrent costs and operating costs within the programme (...) the long term sustainability input seem(s) weak (ibid. p.8).» The rural development programme in Northern Province in Zambia was obviously «not designed with financial sustainability as a leading principle (... and meanwhile) the very high rate of inflation has made financial sustainability through cost recovery virtually impossible»⁵¹.

There are exceptions, however, indicating that it is possible to obtain a better economic sustainability also in rural development projects. The water sector schemes in the Bangladesh RESP have a high economic viability, and the long-term employment effects of these schemes are considerable, according to the project review.⁵² The review of the Remote Area Development Programme in Botswana gives the impression that the programme might become institutionally and economically self-sustained in the long run, but this is a fairly vague conclusion⁵³. Also the project review of the Special Fund for Rural Development in Zambia states that it has not been possible to substantiate the overall financial viability the projects financed under the Fund, but adds that they should normally be able to earn a very respectable profit.⁵⁴

The projects in the shipping sector in Mozambique and Tanzania were also found not to be economically sustainable. The main reason for this has been the strong government control over the coastal shipping companies, including price policies and various political re-

⁴⁹ Adam et al. (1990), p.20.

⁵⁰ Manger et al. (1990).

⁵¹ Samset et al. (1990), p. 2.

⁵² Hawkesworth, op.cit.

⁵³ Kann et al. (1990).

⁵⁴ Ellefsen et al. (1990), p. 11.

strictions and requirements. This has made it impossible to run viable and profitable operations.⁵⁵ In addition, because of the war situation in Mozambique in fact none of the Norwegian activities there were found to be economically sustainable in any sector.

Among the few projects with a scope for economic sustainability + in addition to the above-mentioned + are the two saw mills (in Sao Hill, Tanzania and Northern Province, Zambia).⁵⁶ Also the telecommunication projects in the SADCC region seem to have that potential, and the microwave radio relay link Botswana-Zimbabwe-Zambia was found to be economically viable already.⁵⁷ Finally, the evaluation of the NORAD investment promotion programmes found that in most cases the projects supported under these schemes were economically viable even without the NORAD support.⁵⁸

While as stated above the information basis is weak for any strong conclusion regarding the economic sustainability of most of the projects covered by the evaluation studies, it is also found that for those projects where it may be possible to draw a positive conclusion, this conclusion is often based on assumptions and very weak evidence.

Institutional sustainability

The only aspect of sustainability which has been considered somewhat more systematically in the evaluations, is institutional sustainability. This issue has to some extent always been part of the development aid debate, and seems to be «easier» to handle in an evaluation than economic or financial sustainability. Still, in approximately one third of all studies we found no mention of issues that can be related to integration in the national or local institutions; competence and capacity to manage and carry on an activity after the donors terminate their contribution; or willingness and priority to ensure the sustainability of the activities in question.

Among the studies with sufficient relevant information, more than two thirds (48 out of 67) were found to have low or insufficient institutional sustainability, while barely one third had high or acceptable sustainability. The level of institutional sustainability is thus alarming-

⁵⁵ Jørgensen et al. (1991).

⁵⁶ Country Study Tanzania pp 245–250; Samset et al. (1990) p. 73.

⁵⁷ Evaluation Report 3A.90, p. 5.

⁵⁸ Evaluation Report, 4.87, pp. 129–130.

ly low, but still somewhat better than the level of economic sustainability. Institutional sustainability does not necessarily imply that a particular activity implemented by a given institution can continue to function after aid has ceased, viz. that such an activity is economically sustainable.

Practically all projects undertaken in India and in Sri Lanka were found to have a satisfactory institutional sustainability, which reflects the higher quality and competence of both government and nongovernmental institutions in these two countries. The same applies to two of the projects in Botswana; the labour intensive roads programme⁵⁹ which has been implemented entirely within the regular public administration system, and + with some doubts + the Accelerated Remote Area Development Programme which according to a project review might become institutionally (and economically) self-sustained in the long run.⁶⁰ Also in Zimbabwe at least two activities seem to be sufficiently integrated into and adjusted to the management capacities of the partner institutions; the Dairy Development Programme,⁶¹ and the support to nongovernmental organisations.⁶²

In Kenya, Tanzania and Zambia the results in terms of institutional sustainability were more mixed. Despite the general difficult institutional environment, several activities were still promising to be capable of managing without foreign personnel. Two examples are the forestry programme under the Turkana Rural Development programme in Kenya, which «seems an excellent example of how TRDP ought to be operating»⁶³ and the education project under the same programme which will leave «neither loose ends nor people out of jobs (ibid. p. 66)». The Kenya Rural Development Fund «developed into a unique and basically efficient instrument for providing aid to underprivileged groups scattered all over Kenya (... and) this has been achieved without building up a parallel administration to that of the government».⁶⁴ The Zanzibar rural electrification programme, the Sao Hill sawmill (both Tanzania) and the forestry and sawmill component of the Northern province programme in Zambia, have all been described above as successful in making use of appropri-

ate technology and in training local personnel, to enable the project staff to take responsibility and continue the activities. The conclusion to be drawn from the above is that while it may be considerably easier to ensure institutional sustainability in countries and environments where there is already a competent and capable administration, it is also possible through good project design and a good partnership to promote a functional and capable administration for project activities or a sector also under more difficult circumstances.

Only under extreme conditions such as in Mozambique has this been practically impossible. With the exception of the management of the hydropower plants in Niassa province, all other activities in Mozambique seem to be far from sustainable. The main reason is lack of qualified personnel in almost all sectors and activities, and even when it has been possible to train staff as part of project activities, these may soon be transferred to other + and perhaps even more important, or more lucrative + positions.

For most of the activities in Tanzania the institutional sustainability has also been rather low. The studies refer to a combination of factors including a weak administration, too sophisticated technology in relation to the competence of the Tanzanian partners, poor integration of the activities into the Tanzanian system, lack of emphasis on training, and too strong inputs of foreign advisers and personnel. In short, the aid programmes have not been able to adjust and counteract the disintegration of Tanzania's public administration, but may rather have intensified it.

In Botswana, the main problem is an insufficient number of qualified personnel both at middle level and higher level, in relation to the needs of the rapidly growing economy and the institutions. This is felt for aid activities such as the health programme, and the ARAP rural development programme.

Also in other countries a number of project activities were found to be heavily staffed with foreign personnel and organised in such a way as to be dependent on these external specialists, as in the Production and Employment project under the Rural Employment Sector Programme and the Management Development Unit of the Population and Health Project (both Bangladesh). This is often the case when the local organisation is weak with a scarcity of trained personnel, as reported in the studies of the water supply programmes in Kenya, Zam-

⁵⁹ Solberg et al. (1990).

⁶⁰ Kann et al. (1990).

⁶¹ Evaluation Report 9.89.

⁶² Country Study, pp. 224–234.

⁶³ Sørbo et al. (1988), p. 56.

⁶⁴ Bukh et al. (1989), p. 193.

bia and Zimbabwe, the Blantyre city fuelwood project (Malawi), and for the whole energy sector in the SADCC countries.

Even some of the programmes aimed at promoting the nongovernmental sectors and thus encourage the development of organisations and institutions in the civil society, seem to provide more funds for immediate and short-term activities rather than training and institution building. This was stressed in both the evaluations of the Women's Grant in bilateral assistance, and the Special Grant for Environment and Development,⁶⁵ as well as in the study of support to NGOs in Kenya.⁶⁶

It is thus very alarming to note that so many of the studies report on inadequate training of local and national staff. This is particularly underlined in the major evaluation of Nordic technical assistance to three African countries (Kenya, Tanzania and Zambia). The study found that the Nordic TA personnel were effective as professionals, but that they mostly served in operational functions, without sufficient emphasis on institutional development and training.⁶⁷ According to the report, «many aid projects have a negative impact on institutional development, for example by creating oversized organisations that are not sustainable without assistance (ibid. p.ii).»

In a few cases the organisation of the partner institution is beset with problems of such a character that any foreign funding will not be able to transform it, such as the family health programme in Pakistan⁶⁸ and the river transport sector in Bangladesh.⁶⁹

In other cases, however, the project was poorly designed in terms of existing local administration, such as the fisheries project in Orissa (India)⁷⁰ and the UNFPA-funded activities in Nepal and Nicaragua.⁷¹ This sometimes resulted in the establishment of separate institutions or organisations poorly integrated in the local or national institutions. Even though the operation of this separate institutional set-up was efficient and effective, such as the school maintenance programme in Zambia, it would not be sustainable.⁷² Similarly, the numerous

activities financed under the Sahel-Sudan-Ethiopia programme were found to provide inadequate support to participation of local communities, and few linkages had been established between the partners and relevant actors outside the programme.⁷³ The evaluation of the Norwegian Volunteer Service claims that many NVS postings had developed into regular «projects» rather than technical assistance only, thus making full integration and sustainability more difficult.⁷⁴

The poor institutional sustainability is thus partly caused by the general conditions in the country, providing an inadequate environment for staff development and work morale. But it is to a large extent caused by the aid donors which have been designing, recommending and supporting projects and programmes that have been heavily staffed by expatriates, poorly integrated into the local institutions, poorly designed for the local conditions, and without providing adequate training opportunities.

3.4 Concluding remarks

We have found that in terms of effectiveness, efficiency and sustainability, the studies which we have reviewed indicate that only a minority of the activities for which somewhat sufficient data were available, could be regarded to have reached very good or good results. Less than 15 percent of the activities is shown to have reached high or very high effectiveness. If we include «acceptable» effectiveness, however, exactly one half of the projects and other activities have performed reasonably well. Taking into account the well known difficulties in development aid, we consider that the Norwegian aid performance, in terms of efficiency, as surveyed in our study is not particularly disturbing. We will return to this issue in chapter 5.

As regards efficiency the material available to this team is a poor basis for analysis. Only some studies consulted contain any exact comparison of the planned costs of individual inputs into the activities, and what it actually cost to supply them. Even fewer studies include some analytical attempts based on, for example, a comprehensive cost benefit analysis which could tell us something about the relationship between the expected, and eventually realised, benefits and the costs involved. We have not come across studies of alternative ways of

⁶⁵ Evaluation Report 3.91; Evaluation Report 5.91.

⁶⁶ Country Study pp. 195–202.

⁶⁷ Evaluation Report 5.88, p. 31.

⁶⁸ Country Study pp. 79–82.

⁶⁹ Jerve (1991).

⁷⁰ Dale et al. (1988).

⁷¹ Evaluation Report 2.88.

⁷² Kleven et al. (1991).

⁷³ Evaluation Report 2.92, p. 13.

⁷⁴ Evaluation Report 3.89.

reaching the same objectives. What we have tried to do is to interpret what the various studies express on the costs of the operations. Some studies make brave attempts to be a bit more precise, but in general their conclusions and observations build more on impressions than on analysis. Against this background we found that out of the three fifths of the projects and activities for which some information of cost- efficiency was available, only 40 percent appear to have been cost-effective. This result must be taken with a pinch of salt, but we still believe that the result indicates that the cost issue should be given much more emphasis than in the past. We repeat that the conclusion which we would draw is that projects and other activities should be designed in such a manner that an analysis of efficiency would be possible, and that more attention should be devoted to efficiency in evaluations and project reviews. The first condition must be fulfilled if evaluators shall be able to give clearer answers on efficiency in the future.

We have broken up the question of sustainability into three components: economic, institutional and environmental. These are the various dimensions of sustainability, and not factors which determine sustainability such

as the socio-cultural environment, political conditions or choice of technology. Also in this field the studies we have consulted are not very specific. As regards economic sustainability less than half of the evaluations, reviews and other studies of projects and activities include some relevant information. On this basis we have found that only a minority of the projects can be regarded as having high of acceptable sustainability. This is not surprising as it could be expected to be closely related to the effectiveness of the activities. More information was available on institutional sustainability in our material; in fact for about 70 percent of the activities. Here the picture was somewhat more optimistic as we consider that around one third of the assisted institutions may prove to be sustainable. The question of environmental sustainability has been in the foreground of development assistance operations for less than about ten years, and older projects and studies would not emphasise this issue. Less than one quarter of our material deals with environmental effects. However, on that basis we have come to the optimistic conclusion that a clear majority of the activities which were assessed has either had positive effects on the environment or has not had any negative impact.

4. Which factors explain differences in performance?

4.1 Do recipient countries or sectors matter?

In this chapter we will try more systematically to trace factors which may explain why some activities, on the basis of our interpretation of the studies that we have consulted, appear to function well while others seem to have failed in one or several respects. Two obvious questions will come to one's mind: is there any systematic variation in project performance between *different countries* and between *different sectors*. Tables 4.1 and 4.2 summarise the findings of a classification of projects according to their degree of effectiveness, efficiency, economic and institutional sustainability by countries and by sectors. As regards effectiveness we have calculated two ratios: one between activities with high or acceptable performance and projects with low or mixed performance; and one between projects with high and with poor performance. For the three other concepts we have disregarded the middle category of mixed or uncertain performance and only considered the ratios between high and low efficiency, economic and institutional sustainability.

Columns B. to E. in table 4.1 show absolute figures, and it is immediately evident that the "sample" for each country is small. The total number of activities under the different countries are as follows: Bangladesh 6, India 7, Pakistan 4, Sri Lanka 6, Botswana 5, Kenya 9 (*inter alia* because the Turkana Rural Development Programme has been broken down into 4 components), Mozambique 12 (*inter alia* because support to shipping and ports has been broken down into 5 components), Tanzania 10, Zambia 9 (*inter alia* because the Northern Province programme has been broken down into 4 components), Zimbabwe 5, other Africa 9, and other countries, multilateral operations etc. 12. In the two last cases and Bangladesh effectiveness has not been assessed for one activity. The very small sample implies, of course, that the picture obtained can be rather biased.

Nevertheless, the table suggests that three countries appear to be less problematic than the others: Sri Lanka, Botswana and Zimbabwe. In terms of effectiveness which is the criterion for which we have most information, also Bangladesh is doing quite well, and surprisingly also Mozambique. This is due to the fact that many small projects components have been assessed separately, as acceptable, but no project has been re-

garded as highly effective. This is also the case for Zimbabwe. The problematic countries and areas appear to be Pakistan, Tanzania, Zambia and the rest of Africa

Table 4.1
Performance of projects and other activities by countries

A. Acceptable or high effectiveness in percent of all projects; B. Ratio between number of projects with high and low effectiveness; C., D. and E. Ratio between high and low efficiency; economic; and institutional sustainability respectively; and F. shows the number of positive/balanced/negative ratios under A. to E.

Country	A. %	B.	C.	D.	E.	F.
Bangladesh	60	2/2	2/4	0/3	0/3	1/1/3
India	43	1/2	2/0	0/0	4/1	2/1/2
Pakistan	0	0/3	0/2	0/0	0/1	0/1/4
Sri Lanka	67	2/1	3/0	0/1	2/0	4/0/1
Botswana	60	1/1	1/1	2/1	1/1	2/3/0
Kenya	44	2/2	2/3	0/3	3/3	0/2/3
Mozambique	58	0/2	2/5	0/6	1/8	1/0/4
Tanzania	40	3/4	3/4	2/6	2/6	0/0/5
Zambia	44	1/3	2/5	2/5	1/2	0/0/5
Zimbabwe	80	0/0	3/1	0/2	2/0	3/1/1
Other						
Africa	25	0/4	0/5	0/1	0/6	0/0/5
Others	73	1/0	4/4	1/1	1/5	2/2/1

Are these apparent differences between countries meaningful? We have some serious doubts about that. There is no reason why it should be more difficult to operate development projects and programmes in Pakistan than in, say, Bangladesh. It is also surprising to find that India scores below average as regards effectiveness. The figures for efficiency and institutional sustainability point in the opposite direction for India. One evident reason for differences in performance between countries is clearly the project portfolios. If projects are poor in one or several respects, a relative good country environment may be insufficient to assure good performances. We are therefore not inclined to draw any sweeping conclusions from our material as regards the relationship between performance of aid projects and activities and the countries in which they are implemented.

On the contrary, we would like to draw a more encouraging conclusion: the fact that there are projects which appear to perform relatively well, according to one or several criteria, in practically all countries, suggests to us that good results can be achieved anywhere if projects are well designed and adjusted to the country environment.

Table 4.2

Performance of projects and other activities by sectors
A. Acceptable or high effectiveness in percent of all projects; B. Ratio between number of projects with high and low effectiveness; C., D. and E. Ratio between high and low efficiency; economic; and institutional sustainability respectively; and F. shows the number of positive/balanced/negative ratios under A. to E.

Sectors	A. %	B.	C.	D.	E.	F.
Agriculture etc.	37.5	0/3	1/4	0/5	2/3	0/0/5
Fisheries	50	1/3	2/2	0/2	0/5	0/2/3
Manfact., oil	75	2/0	1/0	2/0	1/0	5/0/0
Electricity	75	1/0	1/2	1/0	2/1	4/0/1
Water supply	33	0/1	1/2	0/1	0/1	0/0/5
Roads	67	1/0	3/0	1/2	1/1	3/1/1
Water/sea transp.	28.5	0/3	2/5	0/5	0/6	0/0/5
Telecom-municat.n	100	0/0	1/0	0/0	0/0	2/3/0
Health, fam.pl.	78	2/1	2/4	0/2	2/4	2/0/3
Education	50	2/1	2/3	0/2	2/3	1/1/3
Com-modity aid	22	1/5	3/2	n.rel.	n.rel.	1/0/2
Social infrastr.	100	0/0	1/0	0/0	0/0	2/3/0
Comm. services	n.a					
Public adm.	0	0/0	0/1	0/1	0/0	0/2/3
Regional develop.	67	3/2	2/3	1/2	3/2	3/0/2
Miscellane-ous	45	0/5	2/7	1/4	4/7	0/0/5

Also in this case the sample of projects under each sector is in general small (see table 1.1); in addition to the 91 projects with information on effectiveness three

more activities, one in education, one in telecommunications, and one in the miscellaneous group are taken into account under other criteria than effectiveness.

Clearly, robust conclusions cannot be drawn from this material. This being said, we can nevertheless point out that on the basis of our interpretations of the material we have had at our disposal, the performance criteria are overwhelmingly positive for manufacturing, clearly positive for electricity, telecommunications and roads, and on balance positive for regional development. (We disregard social infrastructure as there is only one case.) Health is strongly positive as regards effectiveness, but fails in other respects. The most positive cases, manufacturing, electricity and roads, must be taken with a pinch of salt. One large and one very small saw mill are responsible for the flattering performance of manufacturing; now, 6 years after the publication of the Tanzania country study on which our assessment is based, the Sao Hill sawmill is rather run down and its future as sawmill in private ownership not assured. However, the lesson which can be drawn from both manufacturing and electricity generation and distribution, and also from telecommunications, is that "turn key" establishment of factories etc. can frequently be successful. When they nevertheless fail to succeed on all counts, it can either be due to inadequate training of people to take over the operations, or inappropriate design: such as excessive capacity or too high technology level which does not fit into the existing environment.

The third positive area is roads, but in this case the sample is very small (3 cases only). Road building and maintenance are also parts of regional or rural development projects, and there are successes in terms of effectiveness to be reported from those activities as well. But whereas our three cases showed high efficiency, this is not always the case in rural development projects, e.g. the infrastructure development project under RESP in Bangladesh in which costs are high.¹ Maintenance of roads is also a problem which repeats itself, and is the reason why the institutional sustainability of road projects is not shown to be positive.

We have already expressed surprise because we have found the complex and controversial regional development projects to include so many positive examples. Our data do not only show a large majority of them to be of high or acceptable effectiveness, but more surpris-

¹ Hawkesworth et al. (1989), p. 70.

ingly, the assessment of institutional sustainability is also on the positive side (3 positive, 2 doubtful and 2 negative according to the studies which have expressed views on institutional sustainability). The positive picture is strongly flavoured by the assumed HIRDEP and MONDEP success stories in Sri Lanka. A third success story according to our material, the project review from 1989,² the Rural Development Fund in Kenya has apparently run into some difficulties since then. However, regardless of how sceptical we can be to the favourable impression our review of studies has given us of the rural development projects, our findings are after all encouraging. Nevertheless, what we would like to see, are studies of the impact on the target population of seemingly effective rural development programmes.

Projects in the health and family planning sector are overwhelmingly shown to be of high and, in particular, acceptable effectiveness, but a majority of them do not seem to be cost efficient, nor economically or institutionally sustainable. As we have emphasised several times before, we fully recognise that our data on cost efficiency are very poor, and it may be that seriously conducted cost benefit analyses may tell a different story. But this is a difficult area because there are no standards for how much money it is worth spending to save people's lives or improve the health of small children and vulnerable mothers in particular. Yet, it is possible to undertake comparisons between costs of different projects.

There are three sectors in which all indicators show that the performance is on the weak side: agriculture, water supplies and water (mostly sea) transport. In addition, a majority of the 21 projects and activities which have not been classified under sectors, are also performing below expectations according to all criteria. All these four areas have not one single example of high effectiveness. Improved performance in agriculture, and better supplies of drinking water are essential components of assistance to the target group of Norwegian development assistance: the rural poor, and particularly women in general. Sea transport is, on the other hand, an area in which Norway claims to have competence second to none. Thus the mediocre, to say the least, apparent performance in those three sectors seem to us to be disturbing. In chapter 3 we have reviewed the 7 least satisfactory projects and activities in these sectors, and we will not return to those observations here.

² Bukh et al. (1989).

But we must raise the question whether these sectors are particularly difficult and therefore maybe an explanation for the apparent poor performance. As regards agriculture we know that world wide development assistance, when it has not relied on the use of the instruments that created the "green revolution", viz. irrigation and supplies of improved seeds and fertilisers, has not hitherto had the desired impact. But we have not studied the impact, as there were no data in our material on that factor, but merely effectiveness and efficiency, and there are no inherent reasons why these should be so poor in that sector. Other factors must have contributed to the apparent relative failure of activities in this sector, and we will return to these in the next section of this chapter. As regards water supplies there are inherent difficulties. Water is often difficult to find without high technology equipment to drill for it, and fairly complicated pumping machinery to provide regular supplies. This implies severe problems of economic and institutional sustainability. Is the answer that donor agencies must face long-term responsibilities, and expenditure, in order to provide pure drinking water for poor people? When we turn our attention to the third apparent problem sector, sea transport, our reading of the material is that in this field the Norwegian aid efforts have been rather unfortunate and in part badly designed; we refer to the discussion in chapter 3 of the abortive support to the inland water transport sector in Bangladesh, and to the coastal transport company in Tanzania.

Commodity aid is also shown to be a sector in which most activities which we have looked at, on balance have been performing negatively in terms of effectiveness. But this conclusion is based on the way the analysis has been undertaken. If we look at commodity aid merely as a quick way of disbursing balance of payments and budget support to the recipient governments, it has done so, although in some few cases goods have been imported unnecessarily. Again we refer to chapter 3 in which the five cases of low effectiveness have been discussed. Our assessment does not imply that commodity aid is an ineffective way of assisting a country with balance of payment and/or budgetary problems, nor that Norwegian deliveries have not taken place as planned, but it stresses that the way in which it had been implemented, was a poor instrument in order to achieve more specific targets, in line with the main objectives of Norwegian development cooperation.

We are left with two more sectors for which the figures in table 4.2 show that the performance on balance is

assessed as not satisfactory: fisheries and education. The apparent poor performance in the field of fisheries in another paradox, on the basis of the assumed distinction of Norwegian competence in this field. As in the case of water transport, the reason is probably the inability of the Norwegian expertise to adapt to conditions in developing countries; we refer once more to the discussion of the relevant projects and activities in chapter 3. In education we found a mixed bag of projects and in terms of effectiveness the judgment was not negative at all. But efficiency and sustainability were not equally positive. On the basis of the available material we cannot assess if aid to education is difficult, and neither can we voice any opinion on whether the aid which has been offered in general has been inappropriate, although there are some indications that assistance to educational efforts have not always been sufficiently adapted to conditions in the recipient countries.³

4.2 Are there other explanatory factors?

In order to try to find other explanatory factors, we reviewed our material for information on the quality of following factors: "planning", "recipient's administrative and managerial capacity", "cooperation between recipient and donor", and "the technology".⁴ We found too few cases in which recipient's administrative and managerial capacity was spelled out sufficiently in the studies to merit further analysis. In table 4.3 we show how effectiveness, efficiency, economic and institutional capacity is related to the quality of planning, cooperation between recipient and donor, and technology.

Table 4.3

Performance of aided activities and quality of planning, recipient/donor cooperation and technology

G = good; M = mixed; and P = poor

Performance indicators	Quality of planning			Quality of cooperation			Quality of technology		
	G	M	P	G	M	P	G	M	P
<i>Effectiveness</i>									
Low	1	1	12	4	0	9	1	4	4
Mixed/weak	2	2	8	4	2	5	1	0	3
Acceptable	2	3	10	9	2	4	3	6	3
High	3	2	1	6	2	1	3	4	3

³ See for example Evaluation Report 7.88.

⁴ We also looked for some other factors which were stressed in some of the studies consulted, such as the preparation or planning of project implementation, and aid "strategy", but found only few cases in which such factors were mentioned.

Efficiency

Poor	4	2	17	6	0	15	1	6	5
Good	3	2	6	8	2	3	6	5	3

Economic sustainable

Poor	2	0	10	4	1	10	6	4	7
Good	1	1	1	4	0	1	4	1	2

Institutionally sust.

Poor	1	3	19	8	6	10	1	5	6
Good	5	1	6	11	2	0	8	3	3

The data in table 4.3 suggest that both planning and cooperation between recipient and donor strongly influence all performance criteria. The influence of technology is not so strong, but sufficiently evident.

Against this background it is disturbing to find that, based on our interpretation of the references to planning in the material, there were only 9 cases of good, 8 cases of mixed quality of, and 32 cases of poor planning. On the other side, cooperation between recipient and donor was balanced: 23 cases of good cooperation, 7 cases of no apparent serious problems, and 20 cases of poor cooperation. We have stretched the definition of "poor cooperation" very far, viz. to include cases where development projects were executed by the donor with minor or no interference from the host country government. Good cooperation include all cases where operations were integrated in the government machinery. Cooperation through NGOs are considered to fall in the middle category. As regards technology there were 9 cases of "good technology" which we have defined rather strictly: there must have been some positive remark on the technology applied. The middle category includes 14 cases where the technology did not create any problems, whereas reports on inappropriate technology was found in 15 cases.

4.3 Some case studies of the impact of planning, cooperation and technology

The Production and Employment Project of the rural development programme RESP in Bangladesh is one of the projects which, at least in 1989, was considered to be of low effectiveness and cost efficiency. The programming may be a reason for this failure: "it had too many objectives at different levels the targets set for

⁵ Hawkesworth et al. (1989).

group formation were unrealistically high.”⁵ Another programme in Bangladesh which received equally bad marks for effectiveness and efficiency is the support to inland water transport.⁶ About 30 percent of the support has been spent on pre-studies and planning of projects of which most were never accepted and implemented. The effects of the apparent unsystematic planning process was further reinforced by inadequate cooperation with the authorities: the agency which should have implemented many of the projects had received insufficient backing from the central government; the recipient did not want a broader profile on the activities as suggested by NORAD which miscalculated the possibility to influence the recipient’s planning process. In addition there were several examples of inappropriate technical solutions.

We will also mention another example from Bangladesh where planning was good and the cost efficiency satisfactory: the installation of multiplex telecommunication equipment for Bangladesh Railways. NORAD had lent support to an Asian Development Bank feasibility study prior to the project; NORAD used technical expertise to evaluate and assess the tenders; and as result the project was put out to international tender after it was found that bids from Norwegian suppliers were too high: a British firm got the contract and it was estimated that this saved NOK 66 million.⁷ The implementation of the project had not started when the country study was written, but it is known that the installation took place according to plans although with considerable delay.

On one of the unsuccessful projects in India, the Orissa Fisheries Development Programme, the project review⁸ has the following remarks: the basic structural and procedural conditions had not been created for successful application of the planning model; there had not been a sufficient degree of consensus between NORAD and the Government of India about objectives of the programme; the main shortcomings of the programme can largely be explained by shortcomings in coordination, fragmentation and uncertainties regarding coordination functions, and weaknesses of the main body (fisheries). Hence inappropriate planning and implementation and poor cooperation lead to very low effectiveness. The transfer of technology programme in India is assessed to have had acceptable effectiveness although probably

⁶ Jerve (1991).

⁷ Country Study, pp. 159–161.

⁸ Dale et al. (1988).

poor cost efficiency, due to disregard of standard procurement principles.⁹ But the programme also contains an example of ad hoc decision on one of the components: “a representative in the Country Programme Delegation expressed a positive attitude towards the proposal during the consultations. This made it difficult later for NORAD to turn down the request even if this was felt to be the proper aid policy decision. The Country Programme Delegation was clearly not well briefed and coordinated prior and during the discussions (ibid pp. 216, 218).” The generally successful Integrated Child Development Service in India is an example of a programme where planning took place in India and the programme was integrated in the local system; the ICDS was a national programme with structure laid out in great detail.¹⁰

The complete failure of the support to Family Welfare Clinics in Pakistan was partly ascribed to the lack of political will of the government.¹¹ The country study does not deal with the planning process but it seems evident for the present team that the aid authorities cannot have examined the crucial factor of political support adequately before agreeing to the project.

Somewhat questionable planning procedures do not always lead to failures. Thus the rural development programme HIRDEP in Sri Lanka “was not the product of carefully worked out development strategy consistently followed over time. What has characterised HIRDEP has been the sustaining of a continuous and constructive learning process”.¹² The opposite is written about the second successful rural development programme in the same country, MONDEP which is “characterised by a very conscious planning approach taking into account development issues for the district as a whole as well as the particular needs for specific target groups”.¹³ However, in both cases the cooperation with the government was very close.

The most successful project in Botswana, the rural roads programme, has also been characterised by serious planning; it is grounded on an appraisal report from 1972, and good cooperation with government which has given much priority to roads, but the decision concerning which roads to be improved, was to a large extent a

⁹ Country Study, p. 212.

¹⁰ Bergrav et al. (1989).

¹¹ Country Study pp. 79–82.

¹² Evaluation Report 4.91, p. xiv.

¹³ Country Study, p. 14.

political one: Councillors who managed to have their roads improved stood a better chance to be reelected.¹⁴ The rather mediocre performance of the minor urban water supply programme in Kenya in terms of both effectiveness and efficiency can certainly be ascribed to such factors as dramatic overexpenditure due to formulation of inadequate financial estimates, expansion of supply areas, selection of more technology than planned ... and poor performance of recipient ministry.¹⁵ Although the water supply programme formed part of Kenya government growth centre strategy, it was decided that NORAD should take a more active role in implementing the programme, after a review in 1981.

The unsuccessful Nordic Agricultural Programme in Mozambique was also subject to poor planning: MONAP I was characterised by having an ad hoc character, many projects were poorly planned and designed and had unrealistic targets, considering the deficient planning and administrative structure and manpower capacity.¹⁶ Neither was it integrated in the government machinery; it developed a large and powerful bureaucracy of its own, autonomous from the Ministry of Agriculture (ibid. p 5). In addition the choice of technology was poor.¹⁷

Good planning and integration into the recipient country's administrative structure do not always guarantee good results, however. The project review of the Rukwa rural development programme in Tanzania (RUDEP) observed that it has a well organised and well run planning structure that is geared towards making plans, monitoring and reporting. In principle this is run within the Rukwa regional government.¹⁸ However, there are questions about the technology used in water development, and the region has limited capacity and manpower and has to some extent also shown limited commitment.

The experience of the Tanzanian coastal shipping line, TACOSHILI, can be explained by poor planning, inadequate cooperation with the government, and inappropriate choice of technology. "A hurriedly prepared and sketchy report by two Norwegian consultants in 1969 led to an agreement between Norway and Tanzania for

coastal transport and the establishment of TACOSHILI."¹⁹ "The case illustrates the fact that Norwegian aid is not necessarily implemented according to the principle of recipient orientation (ibid p. 243)." "lack of synchronisation between sea technology and port facilities.. (ibid p. 231)." As a development project TACOSHILI scored badly in all respects.

The rural component of the water supply programme in Western Province, Zambia is also assessed to have negative performance in terms of effectiveness, efficiency, and sustainability. The evaluation reports states that "the rural water supply programme has suffered since its inception from a lack of feasibility studies and implementation planning".²⁰ "As a result of operating outside the rather bureaucratic Government of Zambia financial control, the programme has been relatively efficient in procurement of goods and services. This has, however, created greater dependency on MDC/NORAD and has not helped to develop the necessary Zambian capacity to financially manage the programme (ibid. p. 35)." As regards technology for the rural component "major decisions have been left to inexperienced and unqualified expatriate personnel, and there has been a lack of adequate back-stopping and guidance from Department of Water Affairs and NORAD in the initial years. This had led to wrong technology, expensive projects (ibid p. 12)."

In Zimbabwe the planning of the World Bank implemented family health project seems to be solid enough and the project appears to be integrated into the government machinery. But the choice of technology is questioned: "Experience from Phase I has shown that health services planned according to international hospital standards do not correlate with real needs and operating capacity in the outlying districts."²¹ The present team has been in some doubt about whether the effectiveness of this project is weak or acceptable (it was finally listed as weak), as it is assessed as neither cost efficient nor economically sustainable.

In the evaluation of Nordic technical assistance to Africa which must be considered as poor in terms of effectiveness, not cost efficient and not leading to institutional sustainability, the planning is described as follows: "it was not the recipient countries that were the dynamic

¹⁴ Solberg et al. (1990), p. 24.

¹⁵ Country Study, pp. 164-169.

¹⁶ Adam et al. (1990).

¹⁷ Country Study p. 113.

¹⁸ Manger et al. (1990), p. 7.

¹⁹ Country Study, p. 230.

²⁰ Evaluation Report 1.87, pp. 12, 24.

²¹ NORAD (1991), p. 32.

element in expressing the need for technical assistance personnel.”²² Furthermore “in one third of the projects there was no formal training plan or element, and the training was introduced very late, often after several years of project life (ibid p. 49).” There is no mentioning of the choice of technology in that evaluation.

These examples do, in almost all cases, demonstrate the importance of planning and good cooperation with and integration into the recipient government machinery for the performance of aided activities. In several cases the detrimental effects of wrong choice of technology are also evident.

4.4 General note on factors influencing performance of aid projects and activities

We found that there were differences in apparent project performance, in terms of effectiveness, efficiency, economic and institutional sustainability, between countries. The majority of aid activities in Sri Lanka, Botswana and Zimbabwe was on the basis of our interpretation of the studies we have consulted, assessed to function reasonably well, whereas the opposite was the case in Pakistan, Tanzania and Zambia. We do feel, however, that differences between countries possibly is as much influenced by the composition of the project portfolio and its quality as by geographical location.

We also examined apparent performance of projects broken down by sectors, and found that also in this case we do not want our conclusions to be interpreted as robust, but as some indicative ones. The sample for some sectors is rather small. The positive achievements in manufacturing, electricity and roads are so much influenced by some few particular “successes” that they do not prove that these are easy sectors to work in. The several examples of good performance in the rural development programme area which internationally is regarded as being a treacherous field of activity, are a pleasant surprise, but can be a wrong impression based on some few successes. Health and family planning projects appear to function reasonably well, but we would have liked to have had also some concrete information on their impact on health and family size.

The most disappointing sectors were agriculture, drinking water supply and sea and inland water transport. Aid to agriculture is difficult, and weak Norwegian per-

formance in this area is no proof of particular Norwegian incompetence, even though poor performance could have been caused by poor planning of the projects. Water supply projects are very complex due to physical problems combined with the poverty of the beneficiaries. But the fact that Norwegian assistance has done so badly in water transport where our country should have competence second to none, is a reason for concern. The same can be said about the, on balance, poor performance of projects in the fisheries sector. In education there is such a mixed bag of projects ranging from basic education of children to specialised training in Norwegian universities that it would be wrong to draw any conclusion from table 4.2. Finally, the apparent poor performance of commodity aid is because most of the evaluations and reviews of it have assessed it on the basis of whether it has reached specific objectives, and the answer was no. But as support to the recipient countries’ balance of payments or government budget it has functioned as expected.

Thus on the whole we conclude that project performance is not strongly related to recipient countries or sectors, although agriculture and rural water supplies could be singled out as more difficult than some other sectors. The relative success in manufacturing, electricity (and also telecommunications, based on one group of projects only) can be explained by the well known fact that “turn key” projects are relatively easy to implement. Their utility can only be evaluated after some years when we would know if the recipients have succeeded to operate the installations after foreign technical assistance has been withdrawn.

The examination of three other factors which might influence project performance: the planning process, the degree of cooperation with the recipient country, and the choice of the technology, shows very clearly that “planning matters”; good cooperation with the recipient country, including integration in its administration and other organisations, is very important as well; and that appropriate technology helps.

Poor quality of planning definitely seemed to have the strongest negative influence on project performance. In many cases inadequate planning was clearly caused by hurried or incomplete preparations of aided activities. But even seemingly well prepared projects may involve poor planning if the people who undertake the preparations do not take into account all factors that will influence the implementation of an aided activity. A set

²² Evaluation Report 5.88, p. iii.

of case studies illustrate what kind of weaknesses in planning that have affected the different project activities.

An important element is the strongest possible integration of an activity into the existing administration, as it also implicitly would lead to a better adaptation to the socio-cultural environment and the political structure of the host country. This seems to confirm the importance of recipient "ownership" of foreign assisted development projects and programmes.

Choice of technology is a complex issue, because it is a well known fact that the host countries themselves often want to apply advanced technologies which afterwards may prove to be difficult and too expensive to operate under prevailing conditions. Good cooperation between recipients and donors therefore does not guarantee that the most appropriate technology is chosen. This may explain why there is not such a convincing relationship between good performance and suitable technology as between good performance on the one hand and planning and good cooperation with the host countries on the other.

5. Norwegian evaluation results in a comparative perspective

In this chapter we assess the findings from our Norwegian evaluation material against similar studies conducted by other bilateral and multilateral donors. The comparative discussion will centre around the aspects of effectiveness, efficiency, and institutional, financial and ecological sustainability of development aid operations. The discussion of critical factors affecting aid performance in the previous chapter will also be discussed against the international material.

The international reviews consulted range from small "like-minded" bilateral donors, such as FINNIDA (Finland), SIDA (Sweden) and DANIDA (Denmark), to the larger bilateral donor governments like Germany (BMZ), United Kingdom (ODA) and the United States (USAID). We have also included some of the major multilateral donors in the comparative material, in order to widen the perspective.¹

Most bilateral and multilateral donor agencies appraise their own development performance through regular evaluations. Based on these evaluation reports, a number of donor agencies attempt to assess the results of the evaluations in larger "aggregated" reviews. In some instances, the assessments of overall aid performance based on evaluation studies are carried out annually, in other instances this appears to be a sporadic event.²

Evaluation policies and practice vary greatly from country to country and agency to agency. Sometimes the evaluation results are available to public scrutiny, other donor countries and agencies operate with a distinction between official evaluations and less publicly accessible project reviews. The motivation behind carrying out aid evaluations, as well as the selection of criteria, also vary significantly. Sometimes particularly problematic operations or projects pending major decisions are singled out, leaving the information appearing from the evaluation studies with a strong negative bias. In some instances the complete opposite reasoning seems to be at play, as evaluations are presented to raise public awareness or balance negative views in media claiming that development aid is largely unproductive. The 1983 SIDA report could possibly be read as an

example of the latter category, as the report selects five successful projects for presentation in order to illustrate that some aid operations work very well. Considering the fact that Swedish aid came under great public criticism and scrutiny in the 1980s, this approach may be regarded as an effort to counteract the negative trend.³ It should be added that Sweden later on has become much more critical of their development activities.

In scope and methodology, some of the reports consulted appear similar to our own approach. Other studies exceed our effort both in mandate and statistical material. Some of the largest donor agencies seem to have available a pool of uniformly designed project reviews and evaluations which analyse the same set of dimensions. The Norwegian evaluation reports and project reviews, as well as the material of many other bilateral donors, are still in the process of arriving at a feasible and uniform evaluation approach. These factors naturally affect the scientific value of the comparative discussion in this section. It should therefore be stressed that this discussion will not bring forward any principal conclusions regarding the results of Norwegian bilateral assistance as compared to other bilateral and multilateral agencies' experiences with development aid. Rather, the discussion intends to illustrate of some of the general trends detected in our material in relation to general tendencies found in similar international studies.

5.1 Comparing the effectiveness of aid operations

Our material revealed that a large proportion of the aided activities reviewed is guided by vaguely specified immediate objectives. As a result, we found it difficult to assess the effectiveness of those operations, defined as the achievement of immediate objectives. The lack of clearly stated immediate objectives corresponding to aid performance is also mentioned as problematic in a number of the international studies consulted. The study of FINNIDA's aid performance suggests that the objectives of Finnish development aid may be made up along the way, or even "constructed" by the evaluation team.⁴ The report concludes that effectiveness has mostly been measured in very general statements, such as

¹ The full list of international studies considered is found in the bibliography.

² For Norway a desk study based on 27 evaluation reports was made in 1986; Evaluation Report 3.87.

³ SIDA (1983).

⁴ FINNIDA (1991)

“the effectiveness was on a quite high level”. It was also found that the evaluations rarely attempted to assess the long term impact of the project. The shortcomings of the evaluations in relation to reporting on effectiveness were reflected in a large number of the studies consulted. According to the BMZ 1991 report on the results of German aid as described in evaluation reports, only half of the evaluations concluded that physical project targets adequately did justice to the development objectives they were to address.⁵ The DANIDA report may exemplify this very general assessment of effectiveness, as it concluded that the annual evaluation reports between 1983–1987 assessed 60 to 75 percent of the projects as “satisfactorily on most accounts, with good prospects of continued goal attainment”.⁶

Effectiveness compared

The international material reveals that evaluating effectiveness according to the methods set forth in the Logical Framework Approach is complicated by the lack of clearly defined goals and objectives defined at the stages of project design. In this respect, the shortcomings observed in our Norwegian material reflect a larger international trend.

Our analysis identified 91 entities from the evaluations reports, project reviews and studies, and country studies which in our interpretation assessed the effectiveness of Norwegian development activities. While less than 15 percent of the activities evaluated were considered as having mostly attained their immediate objectives, about another third of them were appraised as having to some acceptable extent achieved results in consonance with the immediate objectives defined, or as interpreted by the evaluation teams. When we compare our findings with those of other studies, we must keep in mind that definitions of how well objectives were attained, certainly differ from case to case. We should also take into account that Norwegian development activities are concentrated in Africa South of Sahara and South Asia which are regarded as the most difficult areas in which to operate development assistance.

Our figures are well below the World Bank 1992 figures which *inter alia* show that 63 percent of their aid activities were performing satisfactorily at time of completion.⁷ The World Bank, however, explicitly states

⁵ BMZ (1991)

⁶ DANIDA (1993), p. 8.

that their African projects are performing at a much lower rate than their Asian and Latin American equivalents. In our analysis we have not assessed differences in performance between continents, but as shown in chapter 4 our material does not suggest such a difference.

Similar reviews of German bilateral assistance have found that around three quarters of the aid projects which had been evaluated, were reported to perform satisfactorily in relation to the objectives set forth. At a finer scale 30 percent of all evaluated projects were judged positively without reservations, 33 percent positive with reservations, whereas 25 percent were considered partly positive and only 12 percent mainly negative.⁸

The examples cited above demonstrate that the classifications and the nature of assessments are very divergent, which leaves little room for assessing the general value of some agencies’ performance compared to others. It is, however, interesting to note that some general tendencies are found in a number of the studies conducted regardless of differences in scope and methodology. Our Norwegian material indicated that physical and other tangible development objectives, such as building of roads, dams and wells, shipment of commodity aid, posting of technical experts, or enrolment of pupils and students in schools and universities, have been comparatively “easy” as compared to achieving institutional objectives. The higher success rate in terms of reaching, in particular, physical objectives is also reflected upon in the reports from all other donor agencies consulted.

The 1992 World Bank report concludes that two thirds of projects with physical investment objectives substantially reached these goals. 27 per cent of projects for which information was available substantially attained their institutional development goals, while 47 percent partially reached these goals. The 1989 World Bank report also found that performance tended to be strong in most sectors where the bank’s portfolio was large, particularly highways, power and water-supply.⁹ The strong performance in terms of achieving physical objectives is also reflected in various Swedish reports.¹⁰ The 1983 SIDA report finds that as many as 88 percent

⁷ World Bank (1992)

⁸ BMZ (1986)

⁹ World Bank (1989)

¹⁰ SIDA (1983), (1988)

of the infrastructure projects have succeeded, while 75 percent of the personnel and consultancies fund, and only 46 percent of the agriculture and fisheries project should be regarded as successful. The SIDA report finds that infrastructure, road building, import substitution and consultancy funds exemplify relatively "easy aid", both regarding the implementation and evaluation of the activities. The study of the FINNIDA development aid performance also concluded that technical goals were better attained than non-technical ones.¹¹ However, the technical goals did not always bring an expected impact on a long term basis. Lack of management and maintenance equipment and facilities resulted in breakdowns.

Typical aid activity performance

In our Norwegian material we found that around 40 percent of the aided activities could be rated as either mainly successful (almost 15 percent) or totally inadequate (more than 25 percent), in terms of effectiveness. The majority of the projects assessed were rated as somewhat effective, including information suggesting both positive and negative aspects.

Such a "hump in the middle" is also reported and reflected upon in the international material consulted. In the BMZ 1991 report on German development performance and evaluations it is shown that commentaries and conclusions are often not worded clearly enough to easily incorporate a rating scale, and this leads to a gravitation towards the centre of the scale. It is argued that this is further compounded by the fact that the evaluation criteria include a wide spectrum of aspects some yielding negative results, some positive. The overall positive assessments concerning the effectiveness of development aid, however, may also be a result of a tendency on the part of the evaluator to give the projects assessed "the benefit of the doubt". An independent consultancy report evaluating the results of USAID's development performance found that in 60 percent of the final evaluations no conclusion was reached about project achievement at the purpose level. Yet in 93 percent of all USAID's final evaluations the teams reached the overall conclusion that the projects were succeeding. These findings led the consultancy team to conclude that there was a strong tendency to give the project the benefit of the doubt when making overall judgments about performance:

¹¹ FINNIDA (1991).

Where achievement at the purpose level in final evaluations is not being reported, and in all evaluations where sustainability is either not addressed or reported to be low, it is difficult to understand what evaluation teams mean when they report that, on balance, projects are succeeding.¹²

5.2 Evaluating efficiency in development aid performance

Our Norwegian material revealed that the concept of efficiency was given many different meanings. Information on this aspect of aid performance was scarce and vague, and only for about 60 percent of the activities evaluated did we find some relevant information on efficiency. It was also evident that more often than not this information was based on an intuitive assessment rather than a more systematic analysis, for example referring to "reasonable" or "excessive" spending. It was also noteworthy that few of the studies which discussed issues related to efficiency, presented positive assessments of cost-efficiency. Nevertheless, our material rarely suggested clearly that the assistance had simply been wasted, despite high costs.

Of the international studies consulted only the World Bank, with an extensive portfolio in most developing nations and an extensive data material, applies a direct cost benefit analysis when assessing their aid performance. When applicable, an Economic Rate of Return (ERR) is assessed. The minimum threshold is normally set at 10 percent. The 1992 World Bank report estimating the ERR of 120 cohort projects, mainly in transport and agriculture, found the average re-estimated ERR to be 16 percent compared to 14 percent for the combined 1988–1990 cohorts.

However, the report also found that the overall percentage concealed great diversity between regions and sectors with regards to the aspect of efficiency. The 1989 World Bank report found that 30 percent of the operations assessed yielded results close to an ERR of 10 percent, yet as many as 34 percent had an ERR below zero. The Bank's use of cost benefit analysis has been subject to much criticism and the way in which the ratios is estimated, is currently undergoing changes within the Bank, *inter alia* due to a strong tendency to appraise projects too optimistically. A recently released

¹² USAID (1992), p. 99.

summary of the World Bank evaluation results for 199 projects concluded that excessive optimism in assessing likely cost-benefit results was rampant. Thus, there is an average gap between estimated ERR at appraisal and completion of 8 percent (24 percent at appraisal and 16 percent at completion). In evaluating project performance we are, of course, interested in the ERR of a completed project, and the question is if the cost benefit analysis applied also gives a overly optimistic result at that stage.

A large, multilateral donor like the World Bank has statistical material and resources available which cannot be compared in variety or volume to the Norwegian development aid portfolio. It is therefore interesting to note that the same lack of data on project efficiency as in our material is also found in the material of a much larger donor, Germany. German evaluation teams conclude that little attention has been paid to efficiency, and much more emphasis on it is recommended.¹³ Another German study concludes that as quantitative analyses are high cost studies, they are rarely undertaken.¹⁴ The BMZ report of 1991 finds that 20 percent of the evaluations consulted do not comment on the issue of efficiency at all while 40 percent state that such figures cannot be calculated. Consequently, most of the evaluators appear to be satisfied with more or less intuitive assessments of a qualitative nature. In 40 percent of the cases, it is assumed that benefits exceed the costs; for 15 percent the opposite conclusion is reached. It is interesting to note however, that positive judgments result mainly from the expectation that benefits will increase in the future. This conclusion seems to correspond to the finding in the USAID evaluations, namely that projects seem to be given the benefit of the doubt.

The lack of data on efficiency and cost benefit analyses is also reported in the recently published DANIDA report.¹⁵ Based on a study of evaluations, the report concludes that a project is considered efficient if limits set in budgets are respected, and if operational goals in relation to targets have been reached. The report concludes that the question of whether the costs are reasonable in relation to the goals achieved, or whether the project could have been carried out in an alternative and cheaper manner, are hardly ever assessed in Danish evaluations. The Finnish study seems to reach conclu-

sions similar to our material as it is found that economic criteria have rarely been applied systematically in the evaluations.¹⁶ Furthermore, if applied, cost and benefits have been defined in very general terms. If at all mentioned, the cost-efficiency of the projects has been weighted against the set targets rather than against alternative methods of attaining the same objectives. As a result the report concludes that the evaluations did not provide enough information to assess the efficiency of the Finnish development cooperation.

The comparative international material does not indicate that the size of the donor agency has any impact on the nature of, and frequency with which the efficiency of development aid assistance is reported. The report on the USAID aid performance finds that only 24 percent of the evaluations in their database contained information on the efficiency of the projects. However, contrary to our own material the USAID report concludes that where information is given, close to 80 percent of the activities are found to be reasonably efficient.¹⁷

The review of the international material as well as a closer scrutiny of our own has revealed that measuring the efficiency of aid activities is a complex venture. Our own analysis illustrated that the concept of efficiency could refer to a number of aspects concerning development aid activities. Theoretically, we argued that the most unambiguous measurement of efficiency would be to value the benefits of aid activities against the resources employed to generate outputs. The comparative discussion has revealed that so far only the World Bank has carried out statistical cost benefit analyses in a coherent manner. Most other donors employ less stringent methods, some times it seems as if it is based mostly on intuition. While more rigorous tests of the efficiency of aid activities were recommended in many of the studies reviewed, it is obvious that the Economic Rate of Return assessment employed by the Bank is associated with major difficulties including excessive optimism at the time of appraisal. All studies reviewed, including our own, revealed that the question of whether the same results could have been attained by an alternative and less costly strategy was hardly ever assessed. Lack of attention to the issue of costs naturally also effects the prospects of sustaining development projects after financial and personnel assistance have been phased out.

¹³ BMZ (1991).

¹⁴ BMZ (1986).

¹⁵ DANIDA (1993).

¹⁶ FINNIDA (1991).

¹⁷ USAID (1992).

5.3 Evaluation of the sustainability of aid activities

Sustainability is in many ways the ultimate test of development efforts. It implies that a project is not only successful in terms of achieving its objectives during the project life but also that the benefits it generates continue beyond the time of the donor's involvement.

On the issue of sustainability, the international material indicates that the methods applied and areas considered vary to a large extent. Based on the richness of data, the World Bank surveys, not surprisingly, present the most lavish and quantitative material also with regard to the issue of sustainability. The fact that the World Bank's evaluations are carried out after the projects are completed, making it somewhat easier to assess the sustainability of the activities, is a major difference between the Bank's evaluations and our own material. When evaluations of project performance is carried out at the intermediary level rather than at completion, evaluations cannot establish whether a project is sustainable or not. Sustainability is therefore estimated from the extent to which conditions have been created for maintaining the impact of the project produced or by the extent to which such conditions are still likely to materialise in the future. In the discussion below, a distinction should therefore be made between the donor agencies which carry out the evaluations after project completion, such as the World Bank, and agencies which evaluate their aid performance at intermediary levels.

Environmental sustainability

The issue of environmental awareness and sustainability of Norwegian development activities was discussed in chapter three. We found that management of the environment is a very central principle of Norwegian development assistance and an increasing number of projects include environmental components. But as our material includes activities started before environment became a major issue in aid, and many of the studies in our material were carried out in the 1980s, it is not surprising that only one fifth of the studies discuss effects on the environment. Two thirds of projects which were reviewed with regard to environmental sustainability were rated as positive or neutral.

The study of the World Bank operations concludes that coverage of environmental issues varied significantly across sectors. It is felt to be comparatively strong for agriculture, power, urban and water supply but weak

concerning the energy, industry, and transport sectors. The World Bank 1992 report states that many cohort operations dealt directly with renewable resources or other environmental issues but these issues were not specifically prepared, appraised or reported on at completion. Among projects with specific environmental objectives two fifths were assessed as substantially having achieved these goals, one third had negligible results. Overall, it is concluded that where the environmental component was included, its success appears to be related to the overall project performance.

A review of the environmental instruments used by the Bank to deal with renewable resources issues confirms that traditional investment projects, when designed in isolation from the policy environment, are poor vehicles for promoting policy and institutional reforms. Generally, the 1992 World Bank report finds that the Bank has frequently overestimated the readiness of borrower institutions to implement programmes of poverty alleviation and environmental improvement in rural areas, leading to insufficient attention to human and institutional aspects. Insufficient attention has also been paid to ecological, social and cultural conditions.

As regards the bilateral donor agencies, all the reports consulted make special references to the lack of data concerning environmental issues and more specifically, ecological sustainability, in the evaluation reports. It is found that these issues are not given considerable attention in evaluations nor in project planning. However, it is also clear that the issue of environmental sustainability has become more important in the last 3–4 years, and as a result, older studies naturally do not reflect the same concern.

Economic sustainability

In our own material we found that about half of the activities assessed was estimated as having reached the immediate objectives set forth to an acceptable degree. However, when it comes to economic sustainability, the picture was much more negative. We found that, to the extent that the various evaluations and project reviews considered the issue of economic sustainability, the conclusions reached were largely negative; less than a fifth of the activities studies were considered as clearly economically sustainable, and about 60 percent not sustainable. While sustainability may be regarded as the ultimate test of success of development, both our own data, as well as the international reviews, display that it

is also the most challenging aspect of development aid assistance.

The annual reports by the World Bank demonstrate a strong downward trend in economic performance and financial sustainability. The 1992 World Bank report concludes that benefit flows were likely to be sustainable in only 42 percent of all cohort operations, compared to nearly half of those assessed in 1990. This downward trend is further illustrated when we look back to the 1989 World Bank report. Here it is found that 15 percent of the operations were unambiguously sustainable, 52 percent were considered likely to be sustainable and 33 percent were judged marginally sustainable or uncertain. The regional distribution appears to be fairly constant, as all reports consulted indicate that the African operations have the lowest performance rate, operations in Asia the highest, whereas Latin American falls in the middle. The 1989 report concluded that only 32 percent of the projects in Africa could be considered sustainable, against 65 percent of project activities in Asia.

The consultancy report assessing the USAID aid performance finds that only 43 percent of the evaluations intentionally assessed the sustainability of the projects. On the basis of this sample it was concluded that some benefits of project would continue in 44 percent of the cases after the funding would have ceased. Only in 29 percent of the cases it was estimated that all project benefits would continue. The report finds it noteworthy that the share of projects predicted to be sustainable and likely to continue providing benefits, is quite different from the share rated as being relatively successful (effective) in terms of achieving their overall substantive objectives.¹⁸

The German BMZ 1991 report operates with a more intuitive interpretation of sustainability, as the projects were still ongoing, and concludes that less than 20 percent of the evaluations considered that the activities studied could generate their own momentum in the future. Close to 50 percent of the operations analysed were judged negative in this respect. For close to 30 percent of the operations evaluated the German study found that information was lacking in the evaluation reports. Of the 200 evaluations conducted between 1983 and 1992 of Danish development activities, the DANIDA (1993) report finds that both institutional and

financial problems in the recipient countries are becoming increasingly larger obstacles to their development aid performance. The overall evaluation of health sector projects concludes that there are substantial problems of finance, and it is always uncertain who will take over financial costs when project aid is phased out.

It is evident from the discussion above that the largely negative findings on economic sustainability in our Norwegian material are also reflected in the international material, regardless of size of donor portfolio, aid policies and evaluation procedures. An internal survey, based on donor experiences, carried out by the Development Assistance Committee (DAC) of OECD which identifies the most important factors affecting sustainability, finds that, in general, prospects for economic sustainability are often greater for programmes that do not depend on general public funds for all their costs. The report concludes that user fees, community financing and village contributions are desirable alternative financial sources.¹⁹ However, as both the DAC report and numerous other studies consulted show, local financing requires sustainable local institutions able to carry on the activities generated by a development project. As will become evident in the next section, the assumption that local institutions can carry on the activities of the donor initiated projects often has little basis in reality.

Institutional sustainability

The question of institutional sustainability was dealt with or at least touched upon in more than 70 percent of the studies of the Norwegian activities included in our analysis. In more than half of the cases the sustainability appeared to be low or absent, while in less than 30 percent of the activities institutional sustainability was assessed to be high or acceptable. When it appears that project activities cannot be sustained in the future, the reason is frequently that aided operations have not contained sufficient training or other "institution building" activities, but it can also be due to unrealistic appraisals of the capabilities of the administrative or commercial bodies which were chosen to implement project activities.

In our review of international studies we found that the FINNIDA report presents an unambiguous negative conclusion concerning the institutional sustainability of

¹⁸ USAID (1992), p. 86.

¹⁹ OECD (1989).

Finnish aid activities. The report finds that sustainability is not systematically dealt with in the evaluations, but that they contain several statements relating to sustainability. With regard to Finnish agricultural projects, the report concludes: "None of the institutions were sustainable at the time of evaluation and development towards sustainability was seen as one of the most urgent objectives".²⁰ This conclusion is repeated in the assessments of the health sector, industrial sector and mining sector. The general feeling of the report was:

The evaluations of some fiftyfour development projects give an impression that the projects are more concerned with performing all the activities listed in the project plan than with ensuring the sustainability of the project (ibid. p. 42).

The DANIDA report reaches a similar conclusion as it is stated that lack of skilled personnel, particularly mid level management, has a profound effect on sustainability.²¹ Concerning Danish assistance to the educational sector, it is found that the failure to develop local institutions produces serious problems in terms of phasing out development aid. On Danish development aid in its totality, the report concludes that lack of institutional sustainability is the main problem of their operations as the project activities only to a limited degree have been integrated into the respective social contexts. The report finds that in general, the evaluations have tended to emphasise physical and technical objectives rather than institution building.

Applying a more quantitative approach, the 1992 World Bank report finds that 27 percent of projects for which this information was available substantially achieved their institutional developmental goals, another 47 percent partially attained these goals. While not expressed explicitly, the terms applied here seem to correspond to our discussion of capacity building rather than the more general question of institutional sustainability. Analysing 238 operations rated as performing unsatisfactorily, the 1989 World Bank report finds that the main determinants of unsatisfactory performance were within the domain of the policy makers. The most conspicuous failures were in the area of rural development operations, where too complex operations which would have required exceptional leadership to succeed, were implemented. The report concludes that regardless of

sector, the main reason for operational failure in Africa appears to be institutional. Institutional factors are here treated broadly as the lack of adequate staffing, poor organisation and management in the recipient countries. The Banks own poor understanding of non-market incentives and of the cultures and social structures within which the operations were introduced are also included as major explanatory variables concerning the lack of success in a number of their African operations. Interestingly, the World Bank finds that in regions other than Africa, institutional factors are less problematic.

The 1989 World Bank report devotes special attention to the issue of institution building and institutional sustainability. The report finds that prospects for institutional sustainability are better where the Bank has been able to ensure that goals and intended means of achieving them are compatible with the attitudes and values of the intended beneficiaries. In most cases it is found that operations either failed or only partly succeeded in developing sustainable national institutions. Following the same topic, the short version of the 1993 World Bank report indicates that "ownership" by the local community of the development activity is a necessary criteria for the success of an operation. Ownership in this context relates to a situation where the borrowers are strongly committed to the operations, including the political, institutional and financial goals. The World Bank's emphasis on ownership closely correlates to the analysis of OECD (DAC) as they argue that developing country commitment to a programme is one of the most commonly identified factors positively affecting sustainability.

Both our own Norwegian studies and the international reviews consulted illustrate that the multifaceted issues of capacity building and institution building may constitute the largest, even existential, dilemmas of development assistance. Discussing the challenges for the next decade of development aid, the 1990 SIDA report points to the paradox of the tempting solution to deliver finished projects to developing countries, rather than struggle with the difficulties inherent in true partnership. The report concludes that capacity building and sustainability are sacrificed in a process which counteracts rather than promotes long-term cooperation and sustainability.²² The conclusion reached in the report on FINNIDA's aid performance, could be considered relevant for much of the ongoing development aid oper-

²⁰ FINNIDA (1991), p.9.

²¹ DANIDA (1993).

²² SIDA (1990),p. 7.

ations reviewed here. Generally, the report finds that development programmes with their own project organisation and specific goals were more successful in terms of performance, effectiveness and efficiency, and even impact than programmes integrated into the existing infrastructure. Naturally, however, they were less sustainable:

Paradoxically, the factors which made the Finnish project effective and efficient, seemed to be most often counter effective to the sustainability of the project. These were: independent project organization, Finnish experts in the management and on all levels of the organization, and lot of Finnish technology in the project.²³

Which factors, then, may account for the degrees of successes and failures in terms of international development assistance? In the next section, we review some of the central critical factors and determinants of aid performance detected in our own material as well as the international studies reviewed.

5.4 Determinants of aid performance

In chapter four we undertook a two stage analysis in order to try to find which factors appeared to explain differences in the performance of the activities reviewed. The first stage was to look at performance in relation to the countries in which activities were implemented, and the sectors to which they belonged. We concluded that the differences in performance between countries which we found, were most likely caused by other factors than geographical location. But as regards performance in the different sectors, we attached considerable weight to the finding that projects in agriculture and (domestic) water supply were performing relatively badly, as it corresponds to the well known difficulties in achieving effective and sustainable results in those sectors. We were also deeply concerned by the fact that Norwegian assisted activities in the fields of sea and inland water transport and in fisheries also showed rather or sometimes very poor results. These are after all areas in which Norway is supposed to have particular competence. As regards sectors in which assisted activities appeared to perform well, we did not attach much importance to the findings as they were based on rather few and special examples.

²³ FINNIDA (1991), p.38.

We then turned to other factors which might explain differences in project performance and singled out planning, cooperation between donor and recipient, and technology, since we had extracted sufficient information from our material to enable us to analyse the data. As regards planning, our findings were convincing: planning is a major explanatory factor for variations in the performance of aided activities in all respects. The results are less striking as regards donor cooperation with organisations in the recipient countries, but is still quite evident that when such cooperation is good, the potential for success is greater. The same can be said also for the choice of technology, although the picture is more mixed in this area.

Performance in different geographical areas

The general picture found in the World Bank, USAID, BMZ, and ODA material was that, in general, the operations in Sub Saharan Africa perform at a much lower scale of achievement than its Asian counterparts, in contrast to the vague conclusions which we could draw from our material.

The 1989 BMZ report reaches the conclusion that German development aid is the least successful in agricultural projects located in Sub Sahara Africa. This general trend is reflected in most of the material consulted. Thus in its 1989 report the World Bank carried out a particular survey on the problems connected to agricultural projects in this area. The report finds that of 197 operations evaluated, half were judged to be unsatisfactory. According to the report the failures and problems are to some extent related to the fact that many projects were experimental in character. The projects were furthermore implemented under difficult conditions and often imperfectly understood.

Performance in different sectors

In the 1989 World Bank report agriculture is identified as the sector with the highest incident of unsatisfactorily performance. One third of the operations were judged unsatisfactorily, and only 51 percent of agricultural projects in Africa were rated as performing satisfactorily. The report finds that both agriculture and forestry operations are characterised by insufficient preliminary studies and often irrational alterations in extension methods. Harvest prediction is found to be a major problem in agricultural development programmes. The report recommends that extension packages are adapted

to the economic conditions of the developing country. Concerning land use projects, the report indicates that many of its Asian operations are examples of commendable design, method and system and as a result, high effectiveness.

Population, health and nutrition were also rated as sectors with relatively low performance, as only 60 per cent were rated satisfactory. Concerning the industrial sector, the 1989 report concludes that insufficient needs and market analyses are major hindrances to effectiveness. In the transport sector, technical problems are rampant and inadequate attention is paid to geological conditions and continuous road maintenance. Concerning regional development projects across all sectors, the 1989 World Bank report finds that frequently no criteria and indicators have been developed to measure and assess the impact of the project as a whole. Furthermore, priorities are unclear. The World Bank 1992 report finds that performance in public enterprises such as mining, steel, telecommunications or transport has been disappointing. It is concluded that the Bank must insist on proper and account-able management, with commercial objectives, free of government inter-ference.

The impact of the planning process

As already pointed out the review of our Norwegian material showed quite unequivocally that variations in quality of planning were strongly connected with differences in the performances of the aided activities. This observation is confirmed in the German studies which we have consulted, and which seem to regard planning as the most problematic aspect of development aid performance. German evaluations find that in general, conditions have often been far too optimistically assessed. Political and economic conditions, such as pricing policy, wage policy and monetary policy of recipient country, ruling structures in society, legal regulations and the presence of efficiency of administrative bodies, have not been given due consideration. In general, the studies find that too little time and effort are spent on planning. However, the reports do indicate a slight improvement with regard to the planning capacity from earlier to later reports. The new planning procedure introduced in 1985 emphasising cooperation with recipient representatives and based on a logical framework approach, is regarded to have increased the planning capacity.

Improvements in planning capacity and routines is also commented upon in connection with DANIDA's devel-

opment aid performance. Similarly the observations in evaluations reports of FINNIDA's aid operations refer to the planning process as the most critical factor in terms of project success. The report concludes that Finnish bilateral development cooperation would be more effective and efficient and have more impact on various aspects of development if more attention were paid to the critical factors identified in the planning and implementing of the projects.

Choice of technology

Our attempt to analyse the impact of technology on the performance of Norwegian assisted activities did not provide any striking evidence that choice of technology is one of the major factors explaining differences in effectiveness, sustainability etc. But there was enough evidence to conclude that choice of appropriate technology helps. In our examination of material from aid agencies in other countries we found that a number of studies appear critical to the choice of technology in many development aid operations. The BMZ reports regard the cost of material and equipment as comparatively too high and concludes that facilities exceeding local needs were introduced in many instances. Another problem referred to, is the delivery of wrong equipment or delays in delivery. The Swedish, Finnish, British, Danish and German reports all regard choice of technology as a major problem area as the chosen technology is often far too sophisticated. However, the German report also mention some very positive examples of implementation of "intermediary technology".

Contextual factors influencing project performance

Aid activities are operated within the context of war or civil strife, the culture, administrative structures, social and economic conditions and policy in the recipient countries. In our review of Norwegian material on development experiences we have found plenty of observations on the problems which most directly affect project performance, viz. institutional capability and procedures, but not much on other factors, except in cases of war and internal armed conflicts. We have therefore not analysed the possible influence of socio-economic, political and cultural conditions.

In some of the material from other countries it is generally found that project performance is seriously affected by various contextual variables. According to one of the

latest World Bank reports (1992), factors beyond control of executing agencies, such as macroeconomic and political conditions, explain much of the deteriorating performance over the last two decades. The report calls for an improvement of the Bank's analyses of project risks and furthermore a strengthening of the assessment of institutional and political factors in project performance to avoid excessive optimism so prevalent at present.

The German studies consulted also find that not nearly enough attention has been paid to social and cultural realities. The 1991 BMZ report concludes that technical and economic aspects of the projects have been given too much weight at the expense of social, cultural and ethnic considerations. The study of Finnish evaluation reports also concludes that socioeconomic, political and cultural conditions in recipient country were inadequately appraised leading to decreased effectiveness and efficiency. The Finnish report also found that the project objectives were often too narrow considering the nature of the changes aimed at. This factor was especially visible in technical projects where socioeconomic and institutional factors were ignored.

Summing up the findings of the evaluation reports carried out in 1990, the BMZ report found that 20 percent of their operations failed due to very difficult general conditions. Another 30 percent of the failures were considered to be caused by unreliable political or legal backing in the recipient country, whereas the weak structures of the project executing agencies were considered to account for 40 percent of the problematic projects. The report concludes that integrated programmes show a tendency to incorporate new elements, leading to an overburdening of the partner, and also excessive backup costs, e.g. transport costs which are too high for a project to become sustainable.

Reaching the target groups

In chapter two we have given a number of examples of how difficult it is to reach the target groups which is a clearly stated major objective of Norwegian development cooperation. Several of the international studies which we have examined make reference to problems associated with reaching the target groups set forth in the development objectives of the aid operation. Generally, it is found that targets and target groups are often not tested for consistency and compatibility. Vague targets again complicates the execution of projects. Many

studies find that the needs of target groups are inadequately examined and weakness in the identification and definition of targets and in ways targets are made operational have often had a negative influence on project progress. However, some of the reports also point to positive achievements regarding the reaching of specific target groups. The DANIDA report concludes that most of the health operations have reached their primary target groups, namely the rural population and the poorest. Physical conditions have been created and the education of health personnel has been considered relatively successful. In the field of education the report finds that target groups have been reached, but women are under represented. Overall, the DANIDA report finds that gender aspects are treated very superficially.

5.5 Concluding remarks

In general, the analysis of different studies and reports on the performance of aided development activities supported by other bilateral and multilateral aid agencies, confirm our own findings. The only noticeable difference is that whereas we did not find any evident difference between the performance of such activities in Africa South of Sahara and South Asia, a difference between Africa and Asia is reported in several of the international studies which we have consulted.

It is really impossible to undertake an exact comparison between our findings and the findings in studies of aid operations by agencies abroad on the subject of aid effectiveness, viz. the extent to which projects and other activities have reached their immediate objectives. The reason is that the way in which project performance is "marked", certainly vary between different studies. Thus our case studies do not provide a sufficient basis for us to suggest that Norwegian aided activities have been less effective than others, even though some of the figures shown in this chapter might suggest it.

The World Bank appears to be the only donor agency amongst those which we have looked into, which evaluates the efficiency of its aid operations in a systematic form, through cost benefit analysis. We found that the studies in our material were extremely weak in their discussion of the cost-effectiveness of aided activities, but it seems as if other aid agencies, with the exception of the World Bank, are equally unable to analyse the cost-efficiency of their operations. It should be added that the way in which the World Bank undertakes their analysis has been severely criticised and the system is

under revision. Hence we have no evidence which can tell us anything definite about the cost-efficiency of Norwegian aid compared to that of other aid agencies.

Also as regards economic, institutional and environmental sustainability the analysis is in most cases very uncertain. Only the World Bank systematically evaluates their operations after they have been completed; other aid agencies mostly evaluate and review them when they are in operation, and often because they want to find out how to improve performance. However, the indications which we have found in different studies are that sustainability in all respects is very problematic everywhere, also in the case of World Bank supported activities.

Our review of Norwegian material showed that our examples of aided projects in the fields of agriculture, domestic water supply, sea and inland water transport and fisheries had fared rather badly. The review of international studies also shows that agriculture is a difficult field, whereas in our study of material from abroad nothing special has been reported upon for the other sectors mentioned above. But international studies confirm that it is easier to create physical structures than to reach other targets.

Finally both our study of Norwegian experience and reports from agencies abroad stress that "planning matters"; projects and activities which have been badly planned also perform very badly. The international studies do not seem to have drawn the same conclusion as we have, viz. that good cooperation with the host country's own institutions is a strong explanatory factor of good project performance. However, they stress that the context under which foreign assisted projects are implemented often has a negative influence on the results of aid activities. It is also observed in the international studies that choice of technology also is important, but not at all so much as good preparation of aid activities.

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Annex: **Analysis chart for individual projects/activities**

CODE:

Background data:

1. Full reference:
2. Project/programme:
3. Country:
4. Start/termination of project/programme:
5. Time of study/evaluation:
6. Sector:
7. Implemented by (Norwegian side):
8. Partner institution:
9. Total budget:
10. Authors of evaluation study:

Plans:

11. Development objectives, planned (Utviklingsmål):
12. Immediate objectives, planned (Tiltaksmål):
13. Outputs, planned (Umiddelbare resultater):

Actual results, according to evaluation/study:

14. Inputs (Innsatselementer):
15. Activities (Aktiviteter):

16. Actual outputs:
19. Actual effects (Effekter) - Intended/unintended:
17. Efficiency (Effektivitet - outputs/effekter i forhold til inputs):
18. Effectiveness (Måloppnåelse - output/effekter i forhold til målsetningen):
20. Relevance (Relevans):
21. Quality (Kvalitet):

Specific aspects and critical factors:

22. Effects on poverty/ special target groups:
23. Effects on gender relations:
24. Impact on environment:
25. Sustainability; economic, institutional, ecological:
26. Donor/recipient relations; participation (Samarbeidsrelasjoner):
27. Planning process (Planleggingsprosessen):
28. Choice of technology:
29. Other critical factors mentioned in the evaluation/study (civil wars, economic crisis, distorted economy, government malpractice; donor interest groups, etc):

EVALUATION REPORTS

- 2.86 Mali - matforsyning og katastrofebistand
3.86 Multi-bilateral Programme under UNESCO
4.86 Mbegani Fisheries Development Centre, Tanzania
5.86 Four Norwegian Consultancy Funds, Central America
6.86 Virkninger for kvinner av norske bistandstiltak
7.86 Commodity Assistance and Import Support to Bangladesh
- 1.87 The Water Supply Programme in Western Province, Zambia
2.87 Sosio-kulturelle forhold i bistanden
3.87 Summary Findings of 23 Evaluation Reports
4.87 NORAD's Provisions for Investment Support
5.87 Multilateral bistand gjennom FN-systemet
6.87 Promoting Imports from Developing Countries
- 1.88 UNIFEM - United Nations Development Fund for Women
2.88 The Norwegian Multi-Bilateral Programme under UNFPA
3.88 Rural Roads Maintenance, Mbeya and Tanga Regions, Tanzania
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- 1.89 Parallel Financing and Mixed Credits
2.89 The Women's Grant. Desk Study Review
3.89 The Norwegian Volunteer Service
4.89 Fisheries Research Vessel - "Dr. Fridtjof Nansen"
5.89 Institute of Development Management, Tanzania
6.89 DUHs forskningsprogrammer
7.89 Rural Water Supply, Zimbabwe
8.89 Commodity Import Programme, Zimbabwe
9.89 Dairy Sector Support, Zimbabwe
- 1.90 Mini-Hydropower Plants, Lesotho
2.90 Operation and Maintenance in Development Assistance
3.90 Telecommunications in SADCC Countries
4.90 Energy support in SADCC Countries
5.90 International Research and Training Institute for Advancement of Women (INSTRAW)
6.90 Socio-cultural Conditions in Development Assistance
7.90 Non-Project Financial Assistance to Mozambique
- 1.91 Hjelp til selvhjelp og levedyktig utvikling
2.91 Diploma Courses at the Norwegian Institute of Technology
3.91 The Women's Grant in Bilateral Assistance
4.91 Hambantota Integrated Rural Development Programme, Sri Lanka
5.91 The Special Grant for Environment and Development
- 1.92 NGOs as partners in health care, Zambia
2.92 The Sahel-Sudan-Ethiopia Programme
3.92 De private organisasjonene som kanal for norsk bistand, Fase I
- 1.93 Internal learning from evaluation and reviews
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4.93 Capacity-Building in Development Cooperation Towards integration and recipient responsibility
- 1.94 Evaluation of World Food Programme
2.94 Evaluation of the Norwegian Junior Expert Programme with UN Organisations
- 1.95 Technical Cooperation in Transition
2.95 Evaluering av FN-sambandet i Norge
3.95 NGOs as a channel in development aid
3A.95 Rapport fra presentasjonsmøte av "Evalueringen av de frivillige organisasjoner"
4.95 Rural Development and Local Government in Tanzania
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