



THE ROYAL NORWEGIAN MINISTRY  
OF DEVELOPMENT COOPERATION

# Evaluation Report 5.86



**The Evaluation  
of four Norwegian  
Consultancy Funds**





**THE EVALUATION OF FOUR  
NORWEGIAN CONSULTANCY  
FUNDS ADMINISTARTED BY THE  
GOVERNMENTS OF:  
THE REPUBLIC OF COSTA RICA,  
THE DOMINICAN REPUBLIC,  
JAMAICA AND  
THE REPUBLIC OF NICARAGUA**

Report to: The Royal Norwegian Ministry  
of Development Cooperation

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Oslo, October 1986

The views expressed in this report are those of the authors and should not be attributed to the Royal Ministry of Development Cooperation.





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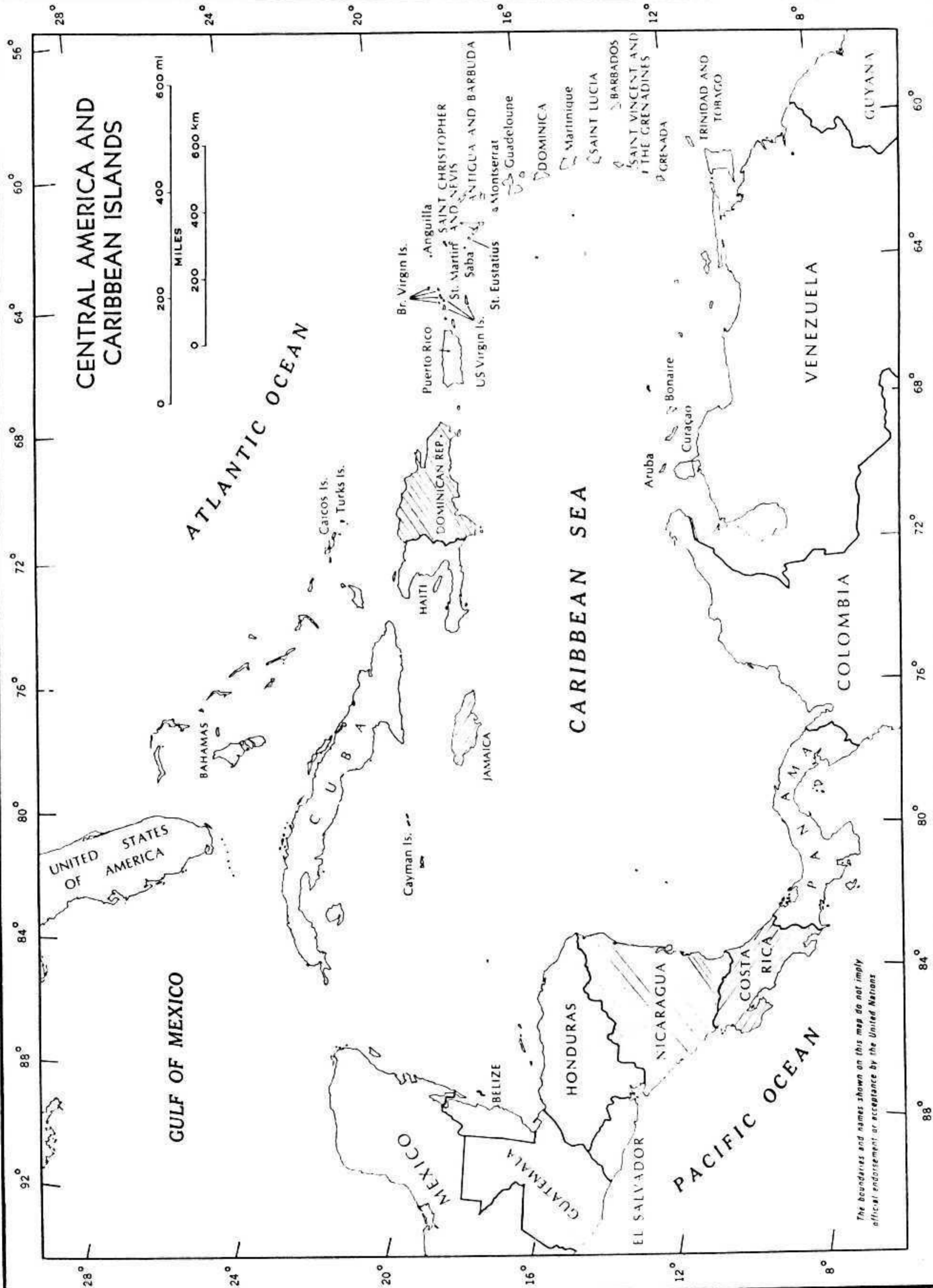
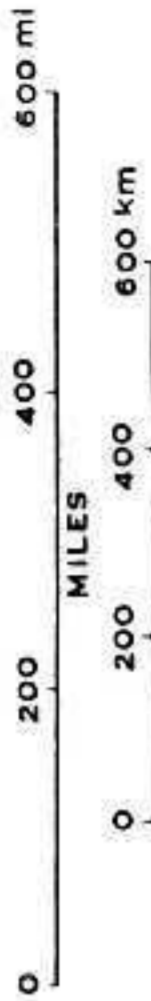
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# CENTRAL AMERICA AND CARIBBEAN ISLANDS



*The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations*

## EXECUTIVE SUMMARY

This report describes the findings and presents the assessment, conclusions and recommendations of an evaluation study concerning four consultancy funds established with financing from the Kingdom of Norway in Jamaica, the Dominican Republic, the Republic of Nicaragua, and the Republic of Costa Rica.

The evaluation was carried out in three phases between May and September 1986. The Team charged with the evaluation visited each of the capitals of the four recipient countries, and met with officials in charge of the administration of the funds as well as responsible for the execution of projects financed from the funds.

The funds had received the following amounts of financing, including replenishments: Jamaica NOK 13 mill., Dominican Republic NOK 12 mill., Nicaragua NOK 4 mill., and Costa Rica NOK 5 mill. With the exception of approximately NOK 4.8 mill. in the Jamaica fund, these allocations were all fully committed and largely expended.

The use of these funds was governed by individual agreements and was limited to the contracting of Norwegian consultancy services. Most of these services were related to sectors in which Norwegian expertise is particularly strong: hydro electric energy, energy related industries, shipping, fisheries, forestry and off-shore.

Authority to select and contract consultancy services as well as to certify payments to the consultants was vested with the governments in the four countries, with no requirement of Norwegian approval. However, in practice, a substantial portion of the Jamaica fund projects were agreed during meetings of the Jamaica-Norway Joint Commission.

The majority of the projects financed from the funds achieved the results expected, some others did less well but were still useful in attaining the overall objective of supporting the recipient countries' efforts in economic and social development. A few projects were failures.

The modality of consultancy funds, which is relatively new in the context of Norwegian development cooperation, was very well received in the four host countries, which all expressed a desire for continuation of this form of cooperation.

In its assessment the Evaluation Team has critical observations concerning the tenor of the consultancy fund agreements which are found to be too superficial, with lack of definition of many concepts essential in the execution of the cooperation envisaged.



Nevertheless, the Team concludes that the consultancy fund modality is a very valuable addition to the list of other modalities of development cooperation, but that it is essential that the donor share the responsibility for the use of the funds.

The Team recommends that consultancy funds also be utilized in future Norwegian development cooperation, albeit with some important changes in the basic agreements.



## 1. INTRODUCTION

In April 1986, the Royal Norwegian Ministry of Development Cooperation charged an Evaluation Team with the task of carrying out a post-evaluation study of the methods of operation and results achieved within the framework of four consultancy funds financed by the Norwegian Government and operating in Jamaica, the Dominican Republic, Nicaragua and Costa Rica.

The Team accomplished this task in three phases from May to September 1986.

### 1.1 WORKING METHOD AND APPROACH

The evaluation is based on Terms of Reference of 25 April 1986 (Appendix 1). The overall objective of the evaluation is to assess the results of the four consultancy funds and of the effectiveness of the means employed to achieve these results, as well as to analyse the correspondence between the goals established and the results obtained, in the light of certain specific criteria.

In consequence, the evaluation was not aimed at, nor was time allocated for, detailed assessment of individual projects or services financed under the fund agreements.

To ensure that the exercise was fully responsive to the Terms of Reference, it was felt necessary to carry out the evaluation at two levels, i.e. the country level and the modality level.

For both levels, the evaluation takes as a point of departure the texts of the fund agreements which stipulate both the objectives against which the results can be measured and the administrative requirements against which the operability can be judged.

In the following, the Evaluation Team's findings and its assessment of these is preceded by a brief history of the funds, with an introduction to the environment in which the funds were created, including a description of the macro-economic and institutional settings within which they operated.

The Team's findings are, for each country, presented in two parts, comprising first a summary of initial findings. This summary is in each case a text agreed between the Team and representatives of the respective government. The second part is a compilation of additional findings and observations, based on the Team's activities in the four countries and in Norway.



The Terms of Reference do not include a demand for recommendations, nor do they eliminate the possibility of one being made. Due to the nature of its conclusions, the Team has opted for also presenting its recommendations.

In several contexts, reference has been made to the possibility of spending Norwegian development assistance funding towards similar goals under alternative institutional arrangements, e.g. utilizing Inter American Development Bank (IDB) or Banco Centroamericano de Integración Económica (CABEI) as channels for project financing. The Team did not find it opportune to combine an evaluation with a programming exercise and has, consequently, not attempted to include an assessment of such alternatives.

The collection of data for the evaluation was made from registry files and documents as well as from interviews with relevant officials in all the countries concerned.

The Team carried out its task in three phases:

#### Phase I: Oslo

The Evaluation Team members familiarized themselves with background documents and files from the registries of the Norwegian Ministry of Foreign Affairs and the Norwegian Ministry of Development Cooperation, and interviewed personnel from the two ministries with relevance to the establishment and administration of the Funds, as well as representatives from the Ministry of Trade and Shipping, the Norwegian Export Council and the Bank of Norway.

In addition the Evaluation Team members familiarized themselves with the projects carried out under the funds' arrangements by way of interviewing a representative number of the Norwegian firms, and by way of submitting questionnaires to all Norwegian firms/institutions which had taken part in projects.

#### Phase II: Field Study

Phase II comprised visits to the four countries concerned and the Evaluation Team members familiarized themselves with local conditions and needs, and interviewed relevant key personnel in all administering institutions, planning authorities and most of the executing agencies. In addition the Evaluation Team also had meetings with the local offices of IDB and UNDP as well as with the respective loan officers in the World Bank and IDB in Washington.

A preliminary summary of findings was made and signed by both parties in each country. These are incorporated in Chapter 2.



Phase III: Oslo

Collected data was analysed, assessed and complemented with additional information. The present document was written with the aim of providing Norwegian authorities with a comprehensive report as well as providing the governments in the four fund countries with separate reports.

1.2 THE CONSULTANCY FUNDS

1.2.1 Establishment and Replenishment of the Funds

During the period of 1979-84 the Government of Norway entered into agreements with the governments of Jamaica, the Dominican Republic, Nicaragua and Costa Rica in order to establish consultancy funds financed by Norwegian development aid. The general objectives stated in the agreements were to cooperate in promoting the economic and social development of the respective country (in the case of Jamaica to expand cooperation); and the direct objective to establish a Fund to finance consultancy services carried out by Norwegian consultancy firms.

The agreements and replenishments were signed on the following dates:

Jamaica:

22 June 1979:	NOK 2 mill.
9 June 1980:	NOK 3 mill. (replenishment)
29 June 1980:	NOK 8 mill. (replenishment)
	~~~~~
Total:	NOK 13 mill.

The Dominican Republic:

6 March 1980:	NOK 3 mill.
27 October 1981:	NOK 3 mill. (replenishment)
26 October 1983:	NOK 4 mill. (replenishment)
13 December 1984:	NOK 2 mill. (replenishment)
	~~~~~
Total:	NOK 12 mill.

Nicaragua:

4 January 1982:	NOK 4 mill.
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Costa Rica:

9 July 1984:	NOK 4 mill.
March 1986:	NOK 0.974 mill. (replenishment)
	~~~~~
Total:	NOK 4.974 mill.



As of 1 July 1986 all allocations except for the Jamaican, were practically expended. In the case of Jamaica USD 662,387 remains in the Fund Account, but payment of commitments has yet to be completed. In the case of the Dominican Republic all commitments have been paid and the Fund is completely exhausted. In the case of Nicaragua USD 4,419 remains in the Fund Account after all commitments have been paid. The Costa Rica Fund Account has a balance of USD 152,360 with further commitments to be paid.

The four funds in question were all established by the Ministry of Foreign Affairs and until 31 December 1983 the responsibility for the administration of the fund agreements was vested with this Ministry. In connection with the establishment of a separate Ministry of Development Cooperation, the administration of the funds was transferred to the new Ministry taking effect from 1 January 1984. Within the Ministry the administrative responsibility was vested with NORAD's Division for Maritime Transport and Industry.

#### 1.2.2 Background to the Establishment of the Funds

Historically, Norway's links with the Central American countries and the Caribbean have been rather limited. The general knowledge of this part of the world in Norway is fragmentary, and with the distinct exception of a few specific commodities, general trading between Norway and Central America/Caribbean is little developed.

Norway has for many years imported large amounts of aluminium oxide from Jamaica. This, together with the fact that there existed a particularly good relationship between the Government of Norway and the Government of Jamaica in the latter part of the 1970s, was the basis for entering into an agreement on trade, economic, industrial and technical cooperation (TEITC) administered by a joint commission. The creation of a consultancy fund came as a result of cooperation within the framework of this Joint Commission.

The establishment of a consultancy fund with the Dominican Republic was a result of the following circumstances:

- The Norwegian Government received a request from the Government of the Dominican Republic in January 1979 asking for financial assistance in connection with the country's debt service problem.
- The export of Norwegian clipfish to the Dominican Republic was of significant importance for the Norwegian fishing industry.



- Influential industrial and commercial sectors in Norway expressed at that time strong intentions to expand their commercial activities in the Dominican Republic.

It can be assumed that the establishment of a consultancy fund with Nicaragua is a result of the Norwegian Government's desire to assist the new Government of Nicaragua after the overthrow of the Somoza regime. It was thought that a consultancy fund was a practical developmental tool which could be quickly utilized to fill an immediate need.

The establishment of a consultancy fund with Costa Rica followed a direct request in 1983. The positive response can be regarded as a result of Norway's general desire to strengthen its overall contacts with the Central American countries and her view of the special role Costa Rica could play as a stabilizing factor and an example for the region's development.

### 1.2.3 Comparison of Fund Agreements

The agreements (see Appendices 3-6) establishing the four funds are basically built over the same last, but they do comprise essential differences. The Jamaica Agreement was the first of its kind, and it served largely as a model for the following three, notwithstanding the fact that it was linked closely to the administrative mechanisms of the Jamaica-Norway Joint Commission which does not have an equivalent with respect to the three remaining countries.

Thus, the rationale for establishing the Jamaica Fund was to expand the cooperation defined in terms of the so-called TEITC Agreement, whereas the other three agreements stipulate the rationale as the desire to cooperate in promoting the economic and social development of the respective country.

All four agreements are concerned with financing of studies, while at the same time they indicate that the purpose ..... shall be to finance consultancy services ..... in connection with projects within the general framework of cooperation ..... In the Nicaragua Agreement, the purpose is expanded to include re-evaluation of feasibility studies from third countries.

All agreements explicitly state that the recipient shall determine the manner in which the Fund is to be used, and shall have responsibility for negotiating and signing contracts with Norwegian consultancy firms.

In the Nicaragua and Costa Rica agreements Norway obliges herself to give appropriate information concerning Norwegian consultancy firms for particular projects. Both of



these agreements state that participation in financing of projects is limited to those services which are carried out under the agreements.

With respect to disbursement procedures, the four agreements show somewhat wider variations.

The financing of three of the funds (excluding Jamaica) was made accessible by way of block US dollar deposits into accounts held in the names of the recipient countries with the Bank of Norway. Financing for the Jamaica Fund was held in a special Bank of Jamaica account with the US Federal Reserve Bank in New York.

The Jamaica and Dominican Republic agreements explicitly stipulate that project related local costs may be financed from the funds.

For the Bank of Norway accounts it is required that the recipient inform the Bank about the persons authorized to certify payments from their account. In addition, the Costa Rica and Nicaragua agreements require that the recipient authorize Norway to make the disbursements on their behalf.

Reporting requirements are similar in all four texts and stipulate that Norway shall be informed after each signing of contract, and that the recipient shall each six months provide Norway with a statement of account including appropriate documentation.

The study of the four agreements gives rise to a number of questions, due to the inherent ambiguities, contradictions and absence of definitions, such as:

- What is meant by "Norway" in institutional terms?
- What is "appropriate documentation"?
- Which type of information is supposed to be given to Norway after signing of each contract?
- Why is the Bank of Norway to be informed about persons authorized to certify payments in those cases where Norway is the authority actually making these disbursements, and how does this relate to the recipients' autonomy in determining the use of the fund?
- What is meant by "the general framework of cooperation"?
- How can "financing of studies" be balanced against the broader term "consultancy services"?

These are all issues relevant to the assessment of the operability of the agreements, and they therefore had the attention of the Team both during its field trip and in its discussions with Norwegian authorities.



### 1.3 POLITICAL AND COMMERCIAL ASPECTS

In addition to their explicitly stated development objectives, the consultancy fund agreements implicitly serve to promote export of Norwegian consultancy services to the countries in question, as well as to open up their markets for Norwegian investment goods.

However, an evaluation of this aspect, e.g. with regard to total market or sector opportunities, falls outside the Terms of Reference.

This fact notwithstanding, the Team has noted that Central America and the Caribbean is second to only Brasil as a market for Norwegian exports to the region. It has also been observed that no overall strategy or clear objectives exist in the general promotion of exports to this area.

From discussions with representatives of the Norwegian Export Council and the Ministry of Trade and Shipping it has become clear that no active efforts have been made in directly informing Norwegian companies about the existing and potential use of the funds. Such information has in practice only been disseminated by way of press releases in connection with the signing of the agreements.

Furthermore, no comprehensive presentation of Norwegian companies and their products was ever made vis-à-vis the executing agencies or the fund administrators.

An additional implicit objective of the agreements has been to further Norwegian foreign policy interests. Representatives of the Norwegian Ministry for Foreign Affairs have in particular stressed the importance of the funds playing the roles of "door openers" and serving as indicators of Norway's interest in participating in the development of the countries in question.

### 1.4 THE NORWEGIAN DEVELOPMENT POLICY SETTING

#### 1.4.1 Basic Principles

(Source: MDC Information Office)

The principles of Norwegian development assistance, as laid down by the Norwegian Parliament, are:

- assistance to go to the poorest developing countries
- to be "recipient oriented"
- to be provided as grants
- to be untied
- to be concentrated on a few main priority countries, selected on the basis of certain criteria.



The Government White Paper No. 36 (1984-85), approved by the Norwegian Cabinet 26 October 1984, states that the paramount goal of development assistance shall continue to be to contribute to lasting improvements in the economic, social and political conditions of the population in developing countries. Development aid must be used so as to achieve the greatest possible development effect for the poorer sectors of the population. It should preferably go to the poorest developing countries, and be designed to create as little dependence as possible on future aid. The resources allocated to development assistance must be used as efficiently as possible in order to achieve this goal.

The White Paper also admits that the developing countries are comprised of a highly varied group of nations, as regards natural resources, climate, social and political organization, culture, and economic systems and in their pursuit of different development strategies. Also, they are unevenly affected by the international economic crises.

Furthermore it states that recent aid experience, altered conditions in developing countries, and the desire for a continued improvement of the quality of development aid, necessitate some new support arrangements. Proposals included in the White Paper reflect the broader cooperation with developing countries during recent years, and the need for a wider range of instruments.

#### 1.4.2 Operational Practices

Norway's bilateral development assistance is also in practice largely limited to a few main partner countries in Africa and Asia. The primary motivation for this was that concentration on a few countries and continuity in projects and sectoral engagements secure and enhance effectivity and efficiency of the cooperation, mostly because the Norwegian administration thereby obtain a deeper understanding of the economic and social situation in each country and, in turn, of its related requirements for furtherance of its development.

Norwegian technical assistance is in general tied to the use of Norwegian experts and consultants. Assistance is provided most often in the form of individual experts or by way of consultancy firms for specific tasks or projects.

In the case of some main priority countries assistance is, however, also provided for by financing experts from third countries under the so-called "Personnel funds", from which the necessary foreign exchange portion of their remuneration can be paid.



In one case (Sri Lanka) a consultancy fund was established (1982) primarily for financing the use of local consultants, but not excluding the use of Norwegian or third country consultants. This agreement was established in the context of the Country Programme for Sri Lanka.

In recognition of Norway's special ability to provide assistance in certain fields, notably the maritime, fishing, hydro energy and offshore oil sectors, technical assistance in these fields have been exempted from the geographical concentration principle. However, apart from budgetary constraints the accomodation of otherwise acceptable requests for assistance in these fields has been limited by the capacity of the Norwegian development authorities to appraise and administer new projects.

In order to overcome these limitations, it was attempted during the late 70's to seek ways and means for providing assistance with a minimum administrative effort. The increase of Norwegian multi-bilateral assistance during this period was one outcome. Another was the use of consultancy funds, a cooperation modality according to which a fixed amount of funding was put at the disposal of the recipient country, subject to certain mutually agreed circumscriptions of the use of such funds.

The first fund agreements were entered into with Jamaica and Turkey in June and September 1979, respectively. Both were directly linked to previous comprehensive agreements between Norway and these countries, in each case involving the creation of a Joint Commission to deal with trade, economic, industrial and technical cooperation, and both were seen as financial instruments for the implementation of these larger aspects.

The general format of the four consultancy fund agreements was thus determined by the linkage to the joint commissions and to the possibility of discussing projects to be financed during commission meetings.

## 1.5 RATIONALE FOR EVALUATION

The decision to carry out a post-evaluation of the four consultancy funds is the result on the one hand of the need to establish the appropriateness, efficiency and adequacy of the fund arrangement as a modality for technical assistance to the countries concerned, and on the other hand to provide a basis for decisions on future forms of cooperation.

Consultancy fund agreements as a modality for technical assistance have not previously been post-evaluated.

The four agreements under which the assistance has been provided were vaguely formulated with rather unspecific requirement for information on utilization of the funds and of the projects financed.

Norwegian authorities have therefore had no possibility within the stipulations of the agreements of making sure that the funds were utilized in accordance with the originally stated or perceived intentions of the funds.

The following factors also seem to justify an evaluation of the consultancy fund agreements:

- That Norway's general attitude towards development co-operation with Central American countries is at present under consideration.
- That the consultancy funds cover countries not among the main priority countries for Norwegian development aid.
- That the funds were never intended to be of a permanent nature.
- That doubts have been expressed as to whether the funds were utilized in accordance with the principles of Norwegian development aid and in the interest of the recipient countries.



## 2.1 NICARAGUA

### 2.1.1 Basic Data

#### 2.1.1.1 Basic Data on Country

##### Geographic data:

Area (thousands of sq.km)	130
Population (million - 1983)	3.0
Pop. density (per sq.km - 1983)	24
Capital City	Managua (0.6 mill.)
Language	Spanish

##### Political data:

Constitution: A Statute on Rights and Guarantees was issued by the Revolutionary Junta 22 August 1979. A new constitution is to be drawn up by 1987.

Last election: 4 November 1984, Presidential and Legislative.

President: Commdr. Daniel Ortega Saavedra (FSLN), 66.9%, took office 10 January 1985.

Dominating Party: Frente Sandinista de Liberación Nacional (FSLN) 61 seats out of a total of 96.

II. SOCIAL PROFILE		
Population - 1983 (Millions):	3.0	
Avg. Growth Rate (1973-83):	3.9	
Urban/Rural Ratio (1983):	55/45	
Urban Pop. Avg. Growth Rate-1973-83 (%):	5.2	
Life Expectancy at birth (1983)	58	Years
Infant Mortality Rate:	1965	1983
Per thousand live births (Aged Under 1)	129	84
Child Death Rate:		
Per thousand children (Aged 1 to 4)	24	9
Population Per Physician:	1965	1983
	2,490	1,800
Average Index of Food Production Per Capita:	1974-76	1981-83
	100	74
Access to Water (1980)	Urban	Rural
% of population having access to water for:		
Drinking:	91	10
Sanitation:	35	
Education	% of Age Group	
	1965	1982
Primary School	69	104
Secondary School	14	41
Higher Education	2	13

III. ECONOMIC PROFILE				
A. Basic Indicators				
GNP Per Capita	1978:\$ 840	1983:\$ 880		
Avg. Annual Growth (1965-83):	- 1.8 %			
Consumer Price Index (1980 = 100)	1981: 123.9	1983: 202.6		
	1982: 154.6	1984: 275.0		
B. Structure of Production				
	Percent Distrib. of GDP			
	GDP (\$ Mil.)	Aggr. (%)	Ind. (%)	Services (%)
1965:	710	25	24	51
1983:	2,700	22	32	47
C. Labour Force:				
	Distribution in:			
Pop. of Working Age (15-64 Yrs.)		Aggr. (%)	Ind. (%)	Services (%)
1965:	49	1965: 57	16	27
1983:	51	1981: 39	14	47
D. External Public Debt and Debt Service				
	1970:	1983:		
	(\$ Millions)			
(a) Ext. Public Debt	156	3,417		
Ratios:				
(b) Debt % of GNP	15.7 %	133.3 %		
(c) Debt Serv. % of GNP	2.4 %	3.2 %		
(d) Debt Serv. % of Exp.	11.1 %	18.3 %		
E. International Reserves (Gross):				
	(\$ Millions)		Months of	
	1970	1983	Inn. Covg. (1983)	
	49	171	2.1	

Source: UNDP

Trade with Norway (mill. NOK):

	1981	1982	1983	1984	1985
Import from Norway	2.3	3.9	1.4	13.2*)	19.6*)
Export to Norway	10.3	8.7	1.9	0.1	1.5

Source: Statistisk Sentralbyrå

\*) Imports from Norway in 1984 and 1985 were financed with Norwegian development assistance.

Norwegian development aid (NOK 1,000):

	Direct bilateral	NGO	Multi-bilateral	Emergency assistance	Other	Total
1980		300	1,725	400	56	2,031
1981		482	1,860	150		2,492
1982		3,818	2,781	3,130	4,000	13,729
1983		1,554	14,140	1,080	5	16,779
1984	16,955	12,542	15,603	1,500	52	46,652
1985	20,034	6,343	16,313	199	0	42,889

Source: Min. of Development Cooperation

2.1.1.2 Basic Data on Projects

1. Study on Rehabilitation of the Fishery Sector (3 contracts).  
 Norwegian consultant: Hallbjørn Hareide A/S  
 Local implementing agency: INPESCA  
 Cost: NOK 2,162,040  
 Contract signed: 18 September 1982  
 Field work completed: 18 December 1982  
 Final report delivered: 11 April 1983



2. Compilation of a Master Regional Development plan Based Mainly on Hydrological Studies.  
Norwegian consultant: ORGUT A/S  
Local implementing agency: IRENA  
Cost: NOK 1,837,760  
Contract signed: January 1984  
Field work completed: January 1984  
Final report delivered: 11 June 1985

## 2.1.2 Macro Economic Setting

(Source: Excerpts from International Economic Appraisal Service's (IEAS) report June 1986)

### 2.1.2.1 Background

Since 1979 the economy has been subject to a variety of negative influences both internal and external, economic and non-economic. These have combined to cause chronic deficits on both the fiscal and external accounts, and economic stagnation followed by a decline in activity. In recent years economic policy has been increasingly diverted from the initial goals of the 1979 revolution, towards simply the maintenance of the agricultural base for food and cash crop production. Various measures have been taken to curb the effects of the severe shortage of both final products and industrial inputs on the country's precarious financial system.

Nicaragua's export revenue is now more than ever dependent on its agricultural products. The four principal products, coffee, cotton, meat and sugar represented an estimated 78% of merchandise exports in 1985, up from the low 60%'s in the early 1980's when Nicaragua enjoyed a significant level of exports of manufactures. The direction of trade has shifted away from its traditional partners, the USA and Central America, towards Japan, the EEC, North Africa and Comecon countries. This development has occurred due to the increasing hostility of US policy towards Nicaragua and the financial problems of Nicaragua's neighbours, as well as Nicaragua's need to find trade partners who will also finance import needs.

Despite constraints imposed on imports limiting them as much as possible to essential goods and, since 1985, applying a discouraging exchange rate to luxury goods, Nicaragua's trade deficit has continued to widen in recent years. With foreign debt growing quickly, debt interest payments due dominate the invisibles account, despite rescheduling of commercial debt with improved terms, producing a substantial ongoing deficit. The only positive item in the current account to increase significantly has been net public transfers. This by itself, however, has not been enough to stop Nicaragua's current



account remaining substantially in deficit for the last six years. The cumulative current account deficit since 1980 stands at an estimated \$2.9bn, greater than the sum of merchandise exports for the same period (\$2.5bn).

The present situation in Nicaragua is dominated by the low intensity war with the so-called Contra Forces. This struggle, in which the Sandinistas hold an overwhelming military capability, has caused much direct and indirect damage to the Nicaraguan economy. The Contras have concentrated on economic targets such as the coffee harvest, and have forced the Government to allocate an increasingly large proportion of its limited resources on defence (60%). Support for the Contras has come from the Reagan administration both in terms of funding and tactical support from its agents, as well as the US acting to block sources of concessional finance to the Nicaraguan government.

In 1979 public external medium and long term debt stood at \$1,127mn, the debt service ratio was 12.0%, and effective terms were relatively soft. By end 1984 Nicaragua's disbursed public debt had grown to \$3,835mn, over three times as large, and the debt service ratio, if obligations had been met, would have stood at around 100%. Disbursed foreign debt is estimated to have risen to \$4,250mn by end 1985, with much of the increase due to bilateral trade credits. The dramatic increase in debt is due to the chronic current account deficit compounded by Nicaragua's inability to meet principal repayments.

By far the most important source of external finance to Nicaragua during the past six years has been bilateral arrangements. In 1980 disbursed bilateral loans amounted to \$502mn, growing to stand at \$2,075mn at end 1984 according to the World Bank. This support has come at a time when the pressure from the US administration has all but blocked off new multilateral agency funds from Nicaragua.

#### 2.1.2.2 Present Situation

Economic performance in 1985 is estimated to have been all but disastrous. Real GDP is estimated to have fallen by 2.4%, with only the agricultural sector holding its own. Industry is starting to be even more severely affected than before as government resources allocated to it fall. On the external front merchandise exports are now estimated to have fallen to \$307mn due to the fall in cotton receipts from \$135mn in 1984 to \$96mn in 1985, and generally weak performances from other export products. Merchandise imports are now estimated at \$837mn, according to preliminary official figures, leaving a negative trade balance of \$530mn, the worst for a number of years. The net transfers and invisible deficit is still estimated at \$75mn which together with the trade deficit results in a current account deficit of \$605mn.



### 2.1.2.3 Outlook

There appears to be no reason to expect an improvement in Nicaragua's economic performance in the present conditions. The explosion of price inflation over the past year combined with the continuing shortages of both inputs and real investment point to a further deterioration in real economic activity through 1986. Real GDP is projected to decline by 3.0% in 1986, again with agriculture being the only positive influence due to the priority it is given by the government.

As long as the Contra forces pose a threat to the security of the country what limited funds are available to the Government will be directed towards countering them, leaving the allocations to the rest of the economy limited to mere maintenance. The medium and long term outlook is thus crucially dependent on a cessation of hostilities.

### 2.1.3 Institutional Setting

The executive power in Nicaragua is today organized by approximately 18 ministries with approximately 44 ministers. The Cabinet is headed by the President. However, the institutional setting in Nicaragua has gone through a major transitional period since the overthrow of the Somoza regime in 1979.

Neither the institution responsible for the establishment of the Fund (Fondo Internacional para la Reconstrucción - FIR) nor the institution responsible for the administration of the Fund at the early stages, Financiera de Pre-inversión (FINAPRI), exist any longer. Today all foreign aid and assistance from abroad are co-ordinated by the Ministerio de Cooperación Externa (MCE). This Ministry includes a separate department for bilateral technical assistance from Europe, with a separate Scandinavian desk.

Coordination of all economic planning in Nicaragua is conducted from Secretario de Planificación y Presupuesto (SPP), which operates as a technical secretariat for the country's National Planning Council. The Planning Council is headed by the President of the Republic and comprises representatives from all economic and social sectors of society, including the Central Bank and MCE. All proposals put forward for the National Planning Council have to go through SPP. SPP is also responsible for the preparation of the country's economic programme.

Planning in Nicaragua is today to a large extent dependent on external factors basically outside the control of Nicaragua. Short term planning is therefore emphasized rather than long term planning. All projects financed in



Nicaragua have to be approved by SPP/National Planning Council before execution. The country has not as yet established a development plan in traditional terms.

The present administration of the Consultancy Fund is vested with Fondo Nicaraguense de Inversiones (FNI). FNI was established in 1983 and took over the responsibility, duties and commitments of two previous government institutions, of which one was FINAPRI. FNI is mainly funded with government money channelled through the Ministry of Finance, but it reports to the Central Bank of Nicaragua. FNI is involved in pre-investment studies, investments in productive activities and development of physical infrastructure. FNI puts particular emphasis on the economic aspects of the projects it participates in. FNI is organized in 7 departments with 203 staff members, of which 78 professionals.

The following two parastatal organisations acted as local implementing agencies for the two projects which were carried out under the Consultancy Fund Agreement:

- Instituto Nicaraguense de la Pesca (INPESCA)
- Instituto Nicaraguense de Recursos Naturales y del Ambiente (IRENA)

INPESCA was established in 1980 and is a holding organization for all fishing activities in Nicaragua. IRENA is one of Nicaragua's parastatal organizations involved in forestry and rural development.

It must be noted that since Nicaragua is still in a transitional period, the working routines and procedures of government and parastatal institutions and the forms of co-operation between the various institutions are still not fully developed. It must also be noted that a great majority of the civil servants and personnel in the parastatal organizations are relatively fresh in their positions.

#### **2.1.4 Initial Findings During Period of Field Work**

(Text as agreed between MCE and Evaluation Team 14.6.86)

##### **2.1.4.1 General Understanding of Agreement and Procedures**

Reference is made to the Terms of Reference for the Post Evaluation Mission.

The Mission visited Managua from 10 - 14 June 1986 and held discussions with the relevant Government authorities. The Norwegian participants were in all discussions joined by three representatives of the Government of Nicaragua.



The preliminary main findings of the Mission can be summarized as follows:

- The Agreement establishing the Fund was signed during a high-level delegation visit to Oslo without any prior preparation by the Nicaraguan Institution later responsible for the administration of the Fund. Consequently no basis for interpretation of the Agreement existed.
- The responsibility for the administration of the Fund was shared between FIR (Fondo Internacional para la Reconstrucción) and FINAPRI (Financiera de Preinversión).
- The text of the Agreement was perceived as ambiguous.
- In particular the expression "within the general framework of cooperation" was found meaningless since no cooperation existed between the two countries prior to the signing of the Agreement.
- The expression "consultancy services" was strictly defined to cover consultant fees and international travel, and limited to studies.
- In retrospect the Nicaraguan authorities expressed satisfaction with the flexibility in use of the Fund provided by the Agreement. However, the Agreement would have been easier to administer with direct references to: sectoral priorities, possibility for financing equipment and local support facilities required for the consultants work, and forms of services other than studies.
- Utilization of the Fund was delayed due to lack of prior knowledge of Norwegian consultancy firms and lack of communication channel/contact point in Norway to which enquiries (under Art. I, para. 3) could be referred.
- The responsible Nicaraguan Institutions were reorganized during the operation of the Fund which partly explains the delayed compliance with the reporting requirements established in the Agreement. It has been noted that the text of the Agreement has not been easily accessible to the officers presently responsible for the Agreement.
- There are no standard rules or regulations for selection or employment of consultants. No specific guidelines were laid down for the use of the Fund. However, in practice it was attempted to apply procedures used by international organizations.



#### 2.1.4.2 Development Planning and Need for Technical Assistance

Following the Revolution, Nicaragua had a need for technical assistance towards the creation of new productive capacity as well as rehabilitation of productive capacity which had deteriorated, either during the previous regime or as a direct consequence of the armed conflict. The Nicaraguan Government obtained offers of such assistance from a number of sources and endeavoured, for each such source, to select assistance which was perceived as particularly suited for the source in question.

It is difficult to establish a complete picture of the assistance thus obtained, but, by way of example, two programmes can be mentioned:

- The Interamerican Development Bank, immediately after the revolution, approved a grant of 5 million USD which was utilized for the fielding of 336 consultants and 30 consulting firms in Nicaragua to assist in a large variety of efforts to rebuild the economy;
- The United Nations system provided, during the period 1979-86, assistance valued at some USD 300,000 of which approximately 30% was utilized on the improvement of the productive sectors.

Due to the transitional situation in which the country presently finds itself, it has not as yet established a development plan in traditional terms. However, the planning authorities have decided on the following priorities for technical cooperation:

- a) Support for policies designed to check and eventually reverse the most serious trends in the current economic crisis;
- b) Support for production processes designed to improve efficiency in the most vital areas of the economy;
- c) Support for pre-investment studies and research in connection with the productive base.

The aims of the two Norwegian consultancy projects executed with support from the Fund are in excellent agreement with (b) and (c) and should, in the longer term, contribute to priority (a).

#### 2.1.4.3 Assessment of Projects

Within the framework of the Fund, the following two consultancy services were contracted:

- a study on rehabilitation of the fishery sector, carried out by Hallbjørn Hareide A/S. Implementing Agency: INPESCA.



- a master regional development plan based mainly on hydrological studies, carried out by ORGUT A/S. Implementing Agency: IRENA.

Both studies were perceived as being within the experience and knowledge of Norwegian consultants. However, only few Norwegian firms showed any interest in obtaining the contracts.

As regards the study in the fishery sector, the Nicaraguan Authorities despatched telexes to several Norwegian consultancy firms (it is not known which ones, nor is it known how they were identified). However, contact was established only with Hareide, and subsequently a contract was signed with Hareide. No other Norwegian firm competed for the contract.

Prior to the development plan study contact was made with ORGUT through the Nicaraguan Embassy in Stockholm. After a presentation by ORGUT in Managua, the contract was signed with this firm. No other Norwegian consultancy firm competed for the contract.

The Nicaraguan Authorities have assessed the quality of the fishery sector study as partly satisfying. The principal shortcoming is in the conclusions which were drawn by the consultants without prior discussions with INPESCA. However, the basic facts established by the consultant were subsequently utilized as a base for selection of equipment purchased with funds provided by the Interamerican Development Bank.

As regards the development plan study, the Nicaraguan Authorities indicated the following:

- At the time of execution of this study, both parties involved were inexperienced in the subject matter and in interpretation of consultancy contracts;
- As a result, the final report was a useful compilation of basic data, but it did not provide the desired development plan.

In conclusion, however, both implementing agencies indicated that the studies had provided them with valuable experience for future work of a similar nature, particularly with regard to formulation, negotiation and administration of consultancy contracts.

#### 2.1.5 Additional Findings

The Evaluation Team was briefed by the officials responsible for the two projects, both at the central government level and in the local executing agencies, and found that these officials generally speaking were fully conversant with the matters at hand. There was no doubt about who



held the administrative responsibilities, and answers to the Team's questions were produced expediently and convincingly.

#### 2.1.5.1 Disbursements

The existing authorization to sign payment instructions for the Fund was vested with either of two persons initially employed by the FIR. When the latter ceased to exist, the same persons retained the signature right even though they were transferred to other institutions.

The signatures of these two persons were submitted to the Bank of Norway (ref. art. II para. 4 in the Agreement). Disbursements from the Bank were made following direct instructions from Nicaragua to the Bank. No authorization through any other Norwegian institution took place (ref. art. II para. 3 in the Agreement).

The Bank of Norway had not sent statements of account to Nicaragua.

#### 2.1.5.2 Consultancy Firms' Relation with Host Country

Neither of the two Norwegian firms contracted under the Consultancy Fund Agreement had previously worked in Nicaragua. One of the firms had obtained general knowledge of the consultancy funds while working in another country and had subsequently proposed its services to the Government of Nicaragua. The other firm was specifically invited by Nicaraguan authorities to bid for the project, and, as it happened, turned out to be the only bidder.

Both firms found that it was difficult to arrange for adequate local counterpart support and for logistical assistance, largely due to the transitional situation in the country.

#### 2.1.5.3 Follow-up of Projects

Whereas the Fishery Studies led to the IDB-financed purchase of equipment, it appears that there has been little follow-up to the the Land-use Plan Study.

One of the firms has, after conclusion of the project, approached Nicaraguan authorities with a view to obtaining further contracts. So far, no such further cooperation has been established, and there seems to be little chance of it happening in the near future. There is no other visible development of Norwegian interest in the



country. (Norway was, at the time of the IDB financing of equipment, not a member of the Bank, and consequently no Norwegian manufacturer could bid for the contract).

It should not be excluded, however, that if and when the political situation in Nicaragua reverts to normal, renewed attempts at establishing commercial contacts between the two countries may be more successful, and that the experience gained in the two projects can be utilized in this context. The international institutions interviewed by the Evaluation Team supported this opinion.

Finally, it should be mentioned that one of the Norwegian firms expressed the need for more support and guidance from Norwegian authorities.

## 2.2 COSTA RICA

### 2.2.1 Basic Data

#### 2.2.1.1 Basic Data on Country

##### Geographic data:

Area (thousands of sq.km)	51
Population (million - 1983)	2.4
Pop. density (per sq.km - 1983)	48
Capital City	San José (0.25 mill.)
Language	Spanish

##### Political data:

Constitution: Promulgated in November 1949

Last election: 2 February 1986, presidential and legislative

President: Dr. Oscar Arias, PLN

##### Dominating Parties:

Partido de Liberacion Nacional (PLN) 52.3%

Partido Unidad Social Christiana (PUSC) 45.8%

II. SOCIAL PROFILE			
Population - 1983 (Millions):	2.4		
Avg. Growth Rate (1973-83):	2.4		
Urban/Rural Ratio (1983):	45/55		
Urban Pop. Avg. Growth Rate-1973-83 (%):	3.2		
Life Expectancy at birth (1983)	74	Years	
	1965	1983	
Infant Mortality Rate:			
Per thousand live births (Aged Under 1)	74	20	
Child Death Rate:			
Per thousand children (Aged 1 to 4)	8	1	
	1965	1983	
Population Per Physician:	2,040	1,460	
	1974-76	1981-83	
Average Index of Food Production Per Capita:	100	88	
Access to Water (1980)	Urban	Rural	
% of population having access to water for:			
Drinking:	100	68	
Sanitation:	93	92	
Education	% of Age Group		
	1965	1982	
Primary School	106	106	
Secondary School	24	48	
Higher Education	6	27	

III. ECONOMIC PROFILE			
A. Basic Indicators			
GNP Per Capita	1978: \$ 1,010	1983: \$ 1,020	
Avg. Annual Growth (1965-83):	2.1 %		
Consumer Price Index (1980 = 100)	1981: 137.1	1983: 345.6	
	1982: 260.6	1984: 386.9	
B. Structure of Production			
	Percent Distrib. of GDP		
GDP (\$ Mil.)	Aggr. (%)	Ind. (%)	Services (%)
1965: 590	24	23	53
1983: 3,060	23	27	50
C. Labour Force:			
Pop. of Working Age (15-64 Yrs.)	Distribution in:		
%	Aggr. (%)	Ind. (%)	Services (%)
1965: 49	1965: 47	20	33
1983: 59	1981: 29	23	48
D. External Public Debt and Debt Service			
	1970:	1983:	
	(\$ Millions)		
(a) Ext. Public Debt	134	3,315	
Ratios:			
(b) Debt % of GNP	13.8 %	126.3 %	
(c) Debt Serv. % of GNP	2.9 %	22.9 %	
(d) Debt Serv. % of Exp.	10.0 %	50.6 %	
E. International Reserves (Gross):			
	(\$ Millions)		Months of Imp. Covg. (1983)
	1970	1983	
	16	345	2.7

Source: UNDP



Trade with Norway (mill. NOK):

	1981	1982	1983	1984	1985
Import from Norway	1.4	3.0	2.3	4.3	3.8
Export to Norway	32.1	51.1	63.3	108.5	88.3

Source: Statistisk Sentralbyrå

Norwegian development aid (NOK 1,000):

	Direct bilateral	NGO	Multi-bilateral	Emergency assistance	Other	Total
1980						0
1981						0
1982					4,519	4,519
1983					214	214
1984	4,000	350			235	4,585
1985	2,150	182	1,400	0	0	4,797

Source: Min. of Development Cooperation

2.2.1.2 Basic Data on Projects

1. Staff Training for the Maritime Transport Sector.  
 Norwegian consultant: Det norske Veritas  
 Local implementing agency: Dirección General de Transporte Marítimo del Ministerio de Obras Públicas y Transportes (MOPT)  
 Cost: NOK 1,262,100  
 Contract signed: 18 December 1984  
 Field work started: 7 January 1985  
 Field work completed and contract accomplished: 2 May 1986
2. Evaluation of the FERTICA Fertilizer Plant.  
 Norwegian consultant: Norsk Hydro A/S  
 Local implementing agency: Fertilizantes de Centro América (Costa Rica) S.A. (FERTICA)  
 Cost: NOK 720,000

Contract signed: 19 April 1985  
Field work completed: 13 September 1985  
Final report delivered: 15 April 1986

3. Feasibility Study on Water Electrolysis Based Ammonia production.  
Norwegian consultant: Norconsult A/S  
Local implementing agency: Corporación Costarricense de Desarrollo (CODESA)  
Cost: NOK 709,000  
Contract signed: 29 July 1985  
Field work completed: 19 November 1985  
Final report delivered: July 1986
4. Opportunities in Energy Related Industries.  
Norwegian consultant: Norconsult A/S  
Local implementing agency: Corporación Costarricense de Desarrollo (CODESA)  
Cost: NOK 832,000  
Contract signed: 29 July 1985  
Field work completed: 19 November 1985  
Final report delivered: July 1986
5. Fishery Sector Pre-feasibility Study.  
Norwegian consultant: NIACO Group  
Local implementing agency: Ministerio de Planificación Nacional y Política Económica (MIDEPLAN)  
Cost: NOK 1,500,000  
Contract signed: 26 September 1985  
Field work completed: Ultimo December 1985  
Final report delivered: Primo March 1986 (Final Draft)

## 2.2.2 Macro Economic Setting

(Source: IEAS March 1986)

### 2.2.2.1 Background

Costa Rica is far from being a typical Latin American country. General living standards are relatively high and well spread, corruption is low and there is a history of democratic transition of power. The 1970s were a period of sustained economic growth due to an expansion of the industrial sector and improved terms of trade. Over the period real GDP per capita grew by an average of 1.3% per annum. The end of the coffee boom in 1978 signalled a change in Costa Rica's fortunes. Followed by the second oil shock and increasing world interest rates there were two current account deficits of around \$6bn in 1979 and 1980 and an economic downturn. Between 1980 and 1982 real GDP fell by an average 2.9% per annum until in 1983 strong agricultural growth helped the economy to grow by 2.3%.



Agriculture contributes around 20% to GDP and is the main source of export earnings. Exports have diversified and grown over the last two decades, partly due to membership of the Central American Common Market (CACM). Beef and sugar have developed as export goods and in recent years non-traditional exports such as textiles and flowers have grown. In spite of this, coffee and bananas still account for over 50% of all merchandise exports. Some light industry was developed, partly assisted by the CACM but this has declined in recent years from 30% in 1980 to 24% in 1984, due to the decline in manufacturing production. The mining sector is small as there are few exploitable deposits.

Costa Rica has no standing army and it regards itself as the Switzerland of Central America, proclaiming neutrality and professing to be non-aligned, although dependence on the USA has made this more difficult in recent years.

#### 2.2.2.2 Present Situation

The economy has made a steady recovery from the lean years of the early 1980s. 1985 was the third consecutive year of growth, although the estimated real GDP increase of 1.5% was significantly down on the 6.3% growth of 1984. This reflects the relative success of President Monge's austerity measures in providing a stable environment for growth. The prosperity of Costa Rica is contrived to some extent, as Costa Rica has consistently been spending in excess of its means and financing its deficits with foreign borrowing and aid.

The current account has been in deficit since 1970 reflecting a basic structural weakness in the Costa Rican economy. Industry is heavily reliant on imported inputs of both capital and raw materials and high living standards have led to substantial imports of consumer goods. Costs of imported petroleum have been reduced since 1980 when an agreement with Mexico and Venezuela was reached. Merchandise imports in 1985 are estimated at \$1,000mn, the first time since 1981 they have reached this level. Merchandise exports in 1985 are estimated at \$929mn down 2.8% from 1984, partly as a result of lower revenues from banana exports. Banana production suffered from the May hurricane and the withdrawal of major producers, with exports down by an estimated \$30mn.

Coffee had a good year partly helped by rising international prices, and revenues are estimated at \$318mn, up \$55mn from 1984. Overall the contribution of coffee, bananas and beef to export earnings rose to 62.5%, the highest level of the 1980s. Low inflation and the readiness of the government to accept mini-devaluations have meant that Costa Rica has been able to improve its



external price competitiveness, following the slump in competitiveness of the early 1980s. The colon was devalued by a further 12.5% through 1985. The Costa Rican economy is very open and heavily dependent on foreign trade. It is therefore vital that international competitiveness is maintained. There has recently been a new agreement aimed at reducing Central American trade tariffs, which is one of the conditions for Costa Rica receiving World Bank funds.

### 2.2.2.3 Outlook

The Costa Rican economy faces two possible major constraints on its growth: foreign debt servicing and export earnings.

The dramatic increase in world coffee prices is a boon for the export sector. With the coffee harvest expected to be significantly down in 1986, increased prices mean that revenues should increase to around \$350mn which helps merchandise exports to rise by over 7%. Falling oil prices should help merchandise imports to remain steady at \$1,000mn giving a balance in merchandise trade in 1986. With increased tourism improving invisible exports, net invisibles and transfers are projected to be \$280 in deficit, which is clearly also the estimate of the current account deficit.

The economy is in 1986 set to expand again by an estimated 2.4% in real terms, reflecting steady but slow growth in all sectors.

The longer term prospects for the economy look fair. The high level of foreign debt will be a continuing problem, but it is unlikely to be an overwhelming one as long as support from the USA continues.

### 2.2.3 Institutional setting

The executive branch in Costa Rica is headed by the President, who is assisted by the Cabinet. The Cabinet consists of 16 ministers in charge of 16 ministries, of which the Ministry of National Planning and Economic Policy (Ministerio de Planificación Nacional y Política Económica (MIDEPLAN)) plays a key role in the administration of the Consultancy Fund.

The agreement establishing the Fund was signed for Costa Rica by the Minister for Foreign Affairs, while the responsibility for the administration of the Fund was vested with MIDEPLAN. Within MIDEPLAN, day-to-day handling is the responsibility of Dirección de la Cooperación Internacional para el Desarrollo (DCID), which reports



directly to the Minister. MIDEPLAN has a staff of approximately 200 professionals. The ministry prepares two-year plans and four-year plans.

Where the utilization of the Consultancy Fund is concerned the following parastatal institutions have played an important role:

- Corporación Costarricense de Desarrollo (CODESA)
- Fertilizantes de Centroamerica (FERTICA)
- Director General de Transporte Marítimo del Ministerio de Obras Públicas y Transportes (MOPT)

CODESA is the government's industrial holding company. FERTICA belongs to the CODESA. The role of CODESA has during recent years been a matter of public political debate and its final organization, duties and commitments are being discussed by the present government.

Two of the contracts financed by the Fund were negotiated and signed by CODESA, one by FERTICA and one by MOPT. The right to sign disbursement orders to the Bank of Norway was likewise delegated to the various chief executives of the implementing agencies. Parastatal institutions in Costa Rica are not to the same degree as government institutions dependent on strict regulations and procedures when hiring consultants and making procurements, but operate in a much more flexible way. An example of this situation is that CODESA regards itself as belonging to the private sector. However, in one case MIDEPLAN itself acted as the implementing agency.

#### **2.2.4 Initial Findings During Period of Field Work**

(Text as agreed between DCID and the Evaluation Team on 20.6.86)

##### **2.2.4.1 General Understanding of Agreement and Procedures**

The following is based on the Terms of Reference for the Post Evaluation Mission.

The Mission visited San José 16 - 20 June 1986 and held discussions with the relevant Government authorities. The Norwegian participants were in all discussions joined by at least one representative of the Planning Ministry MIDEPLAN (Ministerio de Planificación Nacional y Política Económica).

The preliminary main findings of the Mission can be summarized as follows:



- The Consultancy Fund was established in July 1984 following a request for Norwegian technical assistance submitted to the Norwegian Minister for Foreign Affairs during his visit to Costa Rica in October 1983. This request alluded to Norway's unique capacity for providing assistance in the fields of:
  - \* hydroelectricity generation and energy intensive industries;
  - \* maritime and fisheries sector.

These fields will in the following be referred to as the sectoral priorities.

- The agreement establishing the Fund was for Costa Rica signed by the Minister for Foreign Affairs, while the responsibility for administration of the Fund was vested with MIDEPLAN. Within the latter, day-to-day handling was the responsibility of DCID (Dirección de la Cooperación Internacional para el Desarrollo), which reported directly to the Minister.
- The text of the Agreement was basically perceived as clear. The term "within the general framework of co-operation" was interpreted as a reference to the originally stated sectoral priorities, and the term "consultancy services" was taken to broadly cover relevant local costs, including training assistance and advisory services.
- Utilization of the Fund was enhanced by previous contacts with Norwegian companies in the case of two of the projects, as well as by the very "active" promotional efforts undertaken by the Norwegian Consul General in San José (it was noted by one Government official that the consul on several occasions had acted as an agent for Norwegian companies). However, it was expressed that the administration of the Fund would have been facilitated if the Cost Rican authorities had had at their disposal a roster of qualified Norwegian consultants and institutions. In this connection it should be noted that a request for such information was made to the Norwegian Mission of Development Cooperation which visited Costa Rica in July 1985 and during meetings in Oslo in October 1985. However, no request was submitted to the Embassy.
- The reporting requirements established in Art. II, para. 5, of the Agreement have not been fulfilled. It was observed that the formulation of the paragraph concerning authorization of payments (Art. II, para. 5) is ambiguous which led to Costa Rica endowing - in a manner yet to be confirmed - the various chief executives of the implementing agencies with the right to sign disbursement orders to the Bank of Norway. It was further noted that MIDEPLAN did not receive records of



such disbursements, nor did MIDEPLAN establish obligations for the implementing agencies to provide copies of contracts, reports or invoices. No statement of account from the Bank of Norway could be traced. In consequence, it was not possible to verify the status of payments to the various projects.

- Costa Rica has established standard rules and regulations for procurement within the public sector. However, these rules do not apply with parastatal entities such as CODESA (Corporación Costarricense de Desarrollo S.A.), which was implementing agency for the Fund.
- In retrospect, Costa Rican authorities expressed great satisfaction with the flexibility inherent in the Agreement on the use of the Fund. It was observed, however, that administration of the Fund would have benefitted from more detailed regulations concerning administrative and operational procedures to be followed in the implementation of the Agreement.

#### 2.2.4.2 Development Planning and Need for Technical Assistance

As to the general background for the Agreement, it is observed that due to its political stability and democratic traditions, Costa Rica has a record of receiving technical cooperation from a number of sources. The UNDP Annual Report on Technical Assistance for 1984 - the year the Fund was created - comprises the following amount of grant financed TA:

UN System	10.9	million	USD
France	0.6	"	"
UK	0.5	"	"
Canada	0.3	"	"
Brasil	0.03	"	"
USA	3.0	"	"
Belgium	0.001	"	"
-----			
TOTAL	15.3	million	USD

In addition, IDB in 1984 granted a total of 1.77 million USD for TA to Costa Rica. Both IBRD and IDB have put loans at the disposal for TA financing in connection with the implementation of major capital investment projects. Thus, in March 1985 IBRD approved a loan of 3.5 million USD for TA related to a Structural Adjustment Loan (SAL) of 80 million USD. The SAL was motivated with a deep economic crisis which the country suffered in the early 1980s and which led to negative GDP growth in both 1981 and 1982. Confronted with this crisis, the Government set out to (i) develop new exports of agricultural and manufactures exports, (ii) strengthen the private sector to increase domestic production, and (iii) achieve a relative reduction in the public sector.



### 2.2.4.3 Assessment of Projects

The five projects financed from the Fund all had objectives directly or indirectly linked with priorities (i) and/or (ii).

These five projects were:

1. Staff Training for the Maritime Transport Sector, where the implementing agency was the Dirección General de Transporte Marítimo del Ministerio de Obras Públicas y Transportes (MOPT). The project was carried out by Det norske Veritas.

The training was primarily related to vessel inspection and pollution prevention. Costa Rican staff was taught at the Veritas School in Norway, at MOPT in San José, and at the Veritas regional centre in Argentina. In the context of the project, a number of manuals and audiovisual didactic materials were provided. The Costa Rican authorities assess as excellent the quality of the results, and find them appropriate to the needs of the relevant institutions. It was stated that similar services cannot be contracted in Costa Rica or other Latin American countries. Veritas and the idea of a training programme were introduced to MOPT by the Norwegian consul general in San José. The size of the project was determined in discussions with MIDEPLAN. The terms of reference were finalized after discussions with Veritas concerning the content of the training programmes. MOPT had previous experience with contracting of consultants and considered itself well equipped for contract negotiations.

2. Evaluation of the FERTICA Fertilizer Plant, carried out by Norsk Hydro A/S. The contracting and implementing agency was Fertilizantes de Centro America (Costa Rica) S.A. (FERTICA), which belongs to CODESA, the governmental industrial holding company.
3. Feasibility Study on Water Electrolysis Based Ammonia Production. Norwegian contract partner: NORCONSULT A/S. Contracting and implementing agency: CODESA.
4. A Study on Opportunities in Energy Related Industries. Norwegian consultant: NORCONSULT A/S. Contracting and implementing agency: CODESA.

As regards these latter three projects, FERTICA was introduced to Norsk Hydro by NORCONSULT which, on its side, has had a relationship with CODESA dating back several years in connection with work carried out in Costa Rica. Both NORCONSULT and Norsk Hydro enjoy an excellent reputation in Costa Rica, hence the authorities did not feel it necessary to secure competing



offers for these projects. Preliminary discussions on these projects had taken place already prior to the establishment of the Fund, but were not concluded due to lack of financing.

The opportunity study regarding energy related industry was a consequence of discussions in connection with the ammonia project.

Contract negotiations for all these studies were carried out with CODESA with active assistance from MIDEPLAN. The University of Costa Rica did also take part in the project discussions. Terms of reference for the three projects were proposed from the Norwegian side after discussions with MIDEPLAN and finalized after amendments from the Costa Rica side. Instituto Costarricense de Electricidad (ICE) participated actively during the implementing period, particularly with respect to the energy related industry study.

All Costa Rican institutions involved in these three studies express satisfaction with the work carried out and the quality of the findings. However, as of the date of writing final reports have yet to be presented, presumably within the very near future. \*)

It was stated that it would not have been possible to find consultants of the required level in Costa Rica or elsewhere on the international market.

5. Fishery Sector Pre-feasibility Study carried out by Norse-Inter-Atlantic Co. Ltd. A/S (NIACO Group). Contracting agency: MIDEPLAN.

The negotiations with the Norwegian group were carried out by MIDEPLAN at the ministerial level, and in consequence little is known about the proceedings leading to signing of the contract. However, one impression held by officials of DCID was that the NIACO Group had introduced itself as a potential investor in the Costa Rican Fisheries sector.

Representatives of the Ministerio de Agricultura y Ganadería (MAG) and the Centro de Investigaciones Marinas (CIMAR) in the University of Costa Rica now express strong dissatisfaction with terms of reference and consequently with the quality of the report submitted by the NIACO Group, the way in which its field work was carried out, and the tenor of the conclusions of the study.

It was noted that officials from MIDEPLAN were considering a request for further studies to be carried out by NIACO so as to ensure that the final report will fully reflect the genuine objectives of the study in this field.

\*) Final report for FERTICA Fertilizer Plant delivered 15 April 1986.



## 2.2.5 Additional Findings

The Evaluation Team met with officials responsible for all projects, both at the central government level and at the executing agency level, and found them highly competent and well informed about their respective projects. Administrative responsibilities were clearly defined and access to information on the projects therefore easy.

### 2.2.5.1 Disbursements

Payment instructions on behalf of the Fund were signed by the administrations of the respective executing agencies, and there was no central government official involved in this procedure.

The names and signatures of the persons authorized to certify payments from the Consultancy Fund Account were submitted to the Ministry of Development Cooperation. No such information was given to the Bank of Norway (ref. art. II para. 4 in the Agreement). All disbursements from the Bank were made on instruction from the Ministry of Development Cooperation (ref. art. II para. 3 in the Agreement) at the same time as which these signatures were submitted. Both the Project Department (division for Maritime Transport and Industry) of NORAD and the Accounts Section of the Ministry of Development Cooperation were directly involved in authorizing payments of consultancy fees.

Three of the four Norwegian firms working in Costa Rica indicate that the disbursement procedures of the Fund are somewhat unclear.

The Bank of Norway had not sent statements of account to Costa Rica.

### 2.2.5.2 Consultancy Firm's Relations with Host Country, and Follow-up

All four Norwegian firms working under the Consultancy Fund Agreement have answered the Team's questionnaire. Three of these firms had previously had professional contacts with Costa Rica, but knew nothing about the Fund at the time when negotiations for the Fund financed projects started.

All four firms expressed satisfaction with the inputs from and cooperation with the local executing agencies. One of them said that their project clearly had been assigned high priority by the Government. Furthermore, they all feel that follow-up to their respective project is adequate. They maintain contacts with the local agencies and expect to see further development of their cooperation.



The overall perception of working conditions and development possibilities in Costa Rica as expressed by the Norwegian firms was corroborated by the international institutions interviewed by the Team. The country benefits from political stability and a general high level of education, and one source indicated that the Government is particularly keen on development cooperation with other small countries which cannot be suspected of cultivating special political interests in connection with such cooperation.



## 2.3 THE DOMINICAN REPUBLIC

### 2.3.1 Basic Data

#### 2.3.1.1 Basic Data on Country

##### Geographic data:

Area (thousands of sq.km)	49
Population (million - 1983)	6.0
Pop. density (per sq.km - 1983)	122
Capital City	Santo Domingo (1.4 mill.)
Language	Spanish

##### Political data:

Constitution: Promulgated 28 November 1966

Last election: 16 May 1986, presidential and legislative

President: Dr. Salvador Jorge Blanco, PRD (16 August 1982 to 15 August 1986)

Sr. Joaquín Balaguer, PRSC (16 August 1986 -)

##### Dominating parties:

Partido Revolucionario Dominicano (PRD)

Partido Reformista Social Cristiano (PRSC)

II. SOCIAL PROFILE			
Population - 1983 (Millions):	6.0		
Avg. Growth Rate (1973-83):	2.4		
Urban/Rural Ratio (1983):	54/46		
Urban Pop. Avg. Growth Rate-1973-83 (%):	4.7		
Life Expectancy at birth (1983)	63	Years	
Infant Mortality Rate:	1965	1983	
Per thousand live births (Aged Under 1)	103	63	
Child Death Rate:	1965	1983	
Per thousand children (Aged 1 to 4)	14	5	
Population Per Physician:	1965	1983	
	1,720	2,410	
Average Index of Food Production Per Capita:	1974-76	1981-83	
	100	95	
Access to Water (1980)	Urban	Rural	
% of population having access to water for:			
Drinking:	85	33	
Sanitation:	25	4	
Education	% of Age Group		
	1965	1982	
Primary School	87	103	
Secondary School	12	41	
Higher Education	2	10	

III. ECONOMIC PROFILE				
A. Basic Indicators				
GNP Per Capita	1973: \$ 900	1983: \$ 1,370		
Avg. Annual Growth (1965-83):	3.9 %			
Consumer Price Index (1980 = 100)	1981: 107.5	1983: 121.3		
	1982: 115.8	1984: 154.0		
B. Structure of Production				
	Percent Distrib. of GDP			
	GDP (\$ Mil.)	Agr. (%)	Ind. (%)	Services (%)
1965:	960	26	20	53
1983:	8,530	17	29	55
C. Labour Force:				
Pop. of Working Age (15-64 Yrs.)	Distribution in:			
	1965	1981	1983	
	48	64	13	23
	55	49	18	32
D. External Public Debt and Debt Service				
	1970:	1983:		
	(\$ Millions)			
(a) Ext. Public Debt	226	2,202		
Ratios:				
(b) Debt % of GNP			15.5 %	26.7 %
(c) Debt Serv. % of GNP			0.8 %	2.8 %
(d) Debt Serv. % of Exp.			4.7 %	22.7 %
E. International Reserves (Gross):				
	(\$ Millions)		Months of Imp. Covg. (1983)	
1970	32	171	1.1	

Source: UNDP

Trade with Norway (mill. NOK):

	1981	1982	1983	1984	1985
Import from Norway	28.6	16.8	28.4	27.2	49.1
Export to Norway	0.2	8.7	0.1	0.2	0.1

Source: Statistisk Sentralbyrå

Norwegian development aid (NOK 1,000):

	Direct bilateral	NGO	Multi- bilateral	Emergency assistance	Other	Total
1980	3,000					3,000
1981	3,000				31	3,031
1982					72	72
1983	4,000				50	4,050
1984					130	130
1985	2,143	1,600				3,743

Source: Min. of Development Cooperation

2.3.1.2 Basic Data on Projects

1. A Study on how to Utilize the Consultancy Fund.  
 Norwegian consultant: Norconsult A/S  
 Local implementing agency: ONAPLAN  
 Cost: USD 4,940  
 Work carried out: 1980
  
2. Pre-feasibility Study on Forestry and Forest Industry.  
 Norwegian consultant: Borregaard Engineering  
 Local implementing agency: Instituto Dominicano de Tecnología Industrial (INDOTEC)  
 Cost: USD 20,500  
 Contract signed: 12 February 1981  
 Field work completed: 7 March 1981  
 Final report delivered: 30 April 1981



3. Pre-feasibility Study on Hydropower Development - Aeto Yaque del Sur (4 contracts).  
Norwegian consultant: Norplan A/S  
Local implementing agency: Corporación Dominicana de Electricidad (CDE)  
Cost: USD 956,436  
Contract signed: 7 August 1981 (1st contract)  
Field work completed: 15 February 1985  
Last report delivered: February 1985
4. Pre-feasibility Study - Petroleum Planning and Management.  
Norwegian consultant: Norconsult A/S  
Local implementing agency: Dirección General de Minería (DIGEMIN)  
Cost: USD 390,000  
Contract signed: 12 March 1982  
Field work completed: March 1984  
Final report delivered: June 1984
5. Pre-feasibility Study - Merchant Marine.  
Norwegian consultant: A/S Klaveness Chartering  
Local implementing agency: STP/FONDOPREI  
Cost: USD 100,000  
Contract signed: 1982  
Final report delivered: December 1982
6. Feasibility Study - Establishment of a Maritime Training Center.  
Norwegian consultant: Shipdeco A/S  
Local implementing agency: STP/FONDOPREI  
Cost: USD 54,000  
Contract signed: September 1982  
Field work completed: 6 November 1982  
Final report delivered: April 1983
7. A Study on Rural Development in La Piña.  
Norwegian consultant: ORGUT A/S  
Local implementing agency: STP/FONDOPREI  
Cost: USD 33,000  
Contract signed: 18 August 1983  
Field work completed: September 1983  
Final report delivered: October 1983

### 2.3.2 Macro Economic Setting

(Source: IEAS April 1986)

#### 2.3.2.1 Background

The Dominican Republic has been undergoing a serious slowdown since 1983 as the measures taken to reduce the large external imbalance restrained domestic demand at a time when international prices for its exports fell. In 1985 real GDP actually fell by 1%, the first decline since 1965.



The country has a persistent government budget deficit and an overvalued exchange rate. As a result, there have been current account deficits since the mid-1960s and the country had accumulated external debts exceeding \$2bn by the early 1980s. The inability to service its debt and the virtual collapse of the foreign exchange reserve in early 1984 left no alternative but to seek help from the IMF.

The agricultural sector accounts for over 40% of employment and generates over 75% of foreign exchange earnings. Although exports of agricultural commodities have the dominant role, the mining industry at 5% of GDP is becoming increasingly important. Manufacturing is the largest sector (18% of GDP) with almost half of the output in this sector accounted for by sugar refining.

The USA remains the country's main market, taking 80% of exports. The major export products are sugar, coffee, cacao and ferronickel, which have accounted for more than 60% of total visible exports in nominal terms in the past five years. Of these items, sugar is by far the largest item reaching 44.9% of goods exports in 1981. However, the introduction of a high domestic US sugar support price and a lower quota on sugar imports reduced the share of sugar in goods exports to 34.6% in 1984. A more promising export crop has been coffee, but variable performance in the past few years prevented it from assuming a more important role as a foreign exchange earner for the country. However, the dramatic increase in coffee prices following the Brazilian drought in the fourth quarter of 1985 should boost export performance this year.

According to recent World Bank estimates, public medium and long term (mlt) debt in the Dominican Republic had doubled since 1980 to reach \$2.4bn by end 1984. By end 1985 (mlt) debt is estimated at \$2.6bn - an increase of nearly 9%. Other estimates suggest that total debt (including short term) was \$3.5bn at end 1985.

As a percentage of GDP, public debt is estimated to have risen from 18.5% in 1980 to 51.7% by 1985. The debt service ratio over a comparable period rose from 12% to an estimated 34%. The country's debt structure is such that 33% of (mlt) debt outstanding is concessional with concomitant low interest rates and long maturities. The problem, however, is that over 50% of the remainder is in the form of variable interest rate loans. Although interest rates fell in 1985, financing problems became more severe as export earnings dwindled following the collapse in world market prices for most of the country's major export commodities (notably sugar).



Consequently, by April 1985 the government was forced to conclude an agreement with the IMF for a standby facility of \$78.5mn. This paved the way for rescheduling \$360mn with the Paris Club. A preliminary agreement was also reached to reschedule \$790mn of commercial debt with maturities in 1982-1985. Foreign debt service arrears were reported to have been eliminated by end 1985; presumably, the government was able to reschedule some of this.

#### **2.3.2.2 Present Situation**

The economic slowdown continued in 1985, with real GDP recording an estimated 1% decline, as the government continued its IMF austerity programme and plummeting world market prices for most of the country's major exports contributed to a severe contraction in industry.

This deterioration in the economy was accompanied by the continuation of high inflation estimated at an average 39% for the year as a whole as the reduction in government subsidies and devaluation continued to push domestic prices up.

On the external front, export earnings contracted by over 10% as world market prices for sugar, cocoa, silver, gold, and coffee all fell (although coffee prices rebounded dramatically by the end of the year). This coupled with only a slight reduction by 2.4% of the import bill, caused a widening of the trade deficit to \$450mn, despite the devaluation of the peso at the beginning of the year.

The widened trade deficit, coupled with a 37% increase in debt interest payments occurred at a time when tourism earnings were falling. These adverse factors combined to produce a widening of the current account deficit estimated at \$350mn.

#### **2.3.2.3 Outlook**

The outlook for 1986 is less pessimistic than previously expected with GDP now projected to decline by 1.0%. Nevertheless, short term prospects for the agricultural sector are indifferent and industrial activity is likely to remain depressed as value added from sugar stagnates. Despite the boost in coffee production in response to the Brazilian drought, sugar production will remain depressed as there is little likelihood of a substantial and sustained recovery in prices as a consequence of protectionist practices in Europe and the USA. Moreover, livestock production is only now recovering from the destruction of the pig herd following the epidemic of African swine fever in 1984. Although agro-industry is doing well its contribution to GDP remains very small.



The continued recovery in ferronickel output and exports should more than compensate for the fall in gold and silver production. However, this will not be enough (mining amounts for 5% of GDP) to offset the contraction in other sectors of industry as public investment programmes are cut back.

Inflation is expected to slow down considerably in 1986, following the plunge in oil prices, by an estimated 36% especially since the government has already announced a 30% reduction in petrol prices.

The country's external accounts will also benefit from the fall in oil prices which will reduce the import bill. Moreover, the extraordinary rise in coffee prices since November 1985 will partly compensate for the shortfall in sugar earnings; non-traditional exports should continue to make a growing contribution to export earnings. As a consequence, both the trade and current account balances are expected to narrow in 1986 as increased tourism earnings help offset the government's debt interest payments.

Economic prospects in the longer term seem more favourable but much depends on the political scene.

### 2.3.3 Institutional setting

The executive power in the Dominican Republic is organized in 12 secretariats of state (ministries), all reporting directly to the President. However, where economic planning and overall development activities are concerned the Secretariado Técnico de la Presidencia (STP), which reports directly to the President and not through any ministry, is a key institution. Negotiations with Norway concerning the establishment of the Fund were conducted by STP. STP is also, through one of its subsidiaries, Fondo Dominicano de Preinversión (FONDOPREI), responsible for the administration of the Fund.

Another subsidiary of STP, Oficina Nacional de Planificación (ONAPLAN) is responsible for coordination of all planning activities in the country. Proposals for new projects or activities are submitted to ONAPLAN. These proposals may come from the ministries as well as from the private sector. ONAPLAN will then discuss the proposals with FONDOPREI and submit the final proposals to the Cabinet/President through the Secretario Técnico.

The civil service in the Dominican Republic has not yet been legally established, consequently there is no job security, resulting in an almost complete change of all government personnel with every election. This constitutes a major destabilizing factor in the administration of the country and the execution and implementation of the government's policy.



The Dominican Government has not established a development plan in the traditional sense. However, STP has through its subsidiaries produced guidelines and lists of desirable investment projects. Annual budgets are decided by the National Congress. The real priorities are expressed here. While all kinds of foreign loans will appear in the national budget, grants are until now not included. However, all kinds of money transactions appear in the investment budget.

Four of the seven projects/studies carried out within the framework of the Consultancy Fund, were executed with STP itself (ONAPLAN/FONDOPREI) as the implementing agency. The remaining three were carried out with the following three parastatal institutions as local implementing agencies:

- Corporación Dominicana de Electricidad (CDE)
- Dirección General de Minería (DIGEMIN)
- Instituto Dominicano de Tecnología Industrial (INDOTEC)

#### 2.3.4 Initial Findings During Period of Field Work

(Text as agreed between STP and the Evaluation Team on 27.6.86)

##### 2.3.4.1 General Understanding of Agreement and Procedures

The following is based on the Terms of Reference for the Post Evaluation Mission.

The Mission visited Santo Domingo 22 - 27 June 1986 and held discussions with the relevant Government authorities. Norwegian participants were in all discussions joined by at least one representative of ONAPLAN.

The main preliminary findings of the Mission can be summarized as follows:

- The Consultancy Fund was established in March 1980 following a request for Norwegian technical assistance submitted to the Norwegian Ministry of Foreign Affairs in April 1979. The request referred to a previous verbal offer of assistance in the amount of NOK 20 million.

With respect to the need for assistance, the request referred in particular to development of hydropower, rural electrification, maritime transport and forest industry.

- The agreement establishing the Fund was for the Dominican Republic signed by the Secretariado Técnico de la Presidencia (STP), while the responsibility for administration of the Fund was vested with FONDOPREI (Fondo Dominicano de Preinversión).



- The text of the Agreement was basically perceived as clear. The terms "within the general framework of co-operation" was interpreted as a reference to the originally stated priorities, and the term "consultancy services" was taken to broadly cover relevant local costs, and advisory services. However, it was established that at least in one case advice on interpretation of the Agreement was sought from Norway.
- The Agreement contains no obligation for Norway to provide assistance in identifying consultants. Information on consulting firms seems to have been sought from international handbooks and received from visiting representatives/agents.
- The reporting requirement established in Art. II, para. 5, of the Agreement has been fulfilled on a regular basis.
- Rules and regulations for selection and employment of consultants seem to be different for different institutions. FONDOPREI has established detailed rules of which the mission received copies. In addition, special rules for the Norwegian Fund were issued February 1981. It has not been possible to determine to which extent the special rules have been adhered to. The mission received assurances that the rules had been followed in all cases, including those cases where the studies were contracted after direct negotiations.
- In retrospect, Dominican authorities expressed satisfaction with the flexibility inherent in the Agreement on the use of the Fund. It was observed, however, that administration of the Fund would have benefitted from more detailed regulations concerning administrative and operational procedures to be followed in the implementation of the Agreement. It would also have been advantageous if the information on availability of qualified Norwegian consultants had been provided when the Fund was established.

#### 2.3.4.2 Development Planning and Need for Technical Assistance

The Dominican Republic is presently going through an economic crisis which is due partly to a deteriorating situation for the Dominican export market, e.g. increasing protectionism in the industrialized countries and falling prices for sugar, the principal export product. The Government has established a stabilization programme which comprises a series of fiscal, foreign exchange, monetary, and credit measures which together should assist in increasing exports and reducing imports. One important measure has been the blocking, by the Dominican Congress, of most new foreign loans (particularly of those from IBRD and IDB) for the last two years. This



situation, together with the general development process in the country, have produced an increased need for technical assistance at all levels, and primarily in the following sectors: food production, energy, transport, industry, and tourism.

According to UNDP's Annual Report on Technical Assistance in 1984 the Dominican Republic received assistance worth 21.2 million USD, of which 12.5 million USD from bilateral sources (USA, Japan, Taiwan, Italy, West Germany, Canada, Korea, Spain, France, Israel, Norway and Sweden) and 8.6 million USD from multilateral sources. Of this latter amount the UN System provided 4.7 million USD, and the balance was granted by IDB, OAS, IICA and the European Community.

The Government has not established a development plan in the traditional sense, but the STP (Secretariado Tecnico de la Presidencia), which has the overall responsibility for development activities, has through two of its subsidiaries: ONAPLAN (Oficina Nacional de Planificacion) and FONDOPREI (Fondo Dominicano de Preinversion) produced guidelines and lists of desirable investment projects, respectively. The mission received copies of these documents. Furthermore, it was indicated from several sources that the above mentioned sectors constitute the "natural" or inherent priorities for the country.

This perception is particularly important when considering that the civil service in the Dominican Republic has not been legally established. The past four presidents have, unsuccessfully, endeavoured to have Congress pass a Civil Service law. This has influenced the selection and execution of the seven projects financed. All but one (the project concerning the use of the Fund) fall directly or indirectly within the priority sectors, but the mission found it difficult to establish how they were originally selected. It is, however, gratifying to note that in spite of this situation, most of the projects were concluded in good order and to the satisfaction of the present day authorities.

#### 2.3.4.3 Assessment of Projects

Within the framework of the Agreement, the following seven studies have been carried out:

1. A Study on how to Utilize the Consultancy Fund. It was carried out by Norconsult A/S on behalf of ONAPLAN. At the end of the mission's visit it has not been possible to find documentation for the evaluation of this study.



2. A Prefeasibility Study on Forestry and Forest Industry. Norwegian consultant: Borregaard Engineering Co. Contracting and implementing agency: INDOTEC (Instituto Dominicano de Tecnología Industrial). Representatives from INDOTEC were not available. However, the mission was given a copy of one of the reports. The study was carried out before the election in 1982 and consequently during an administration different from the present one. The study was initiated after a visit of a previous director of INDOTEC to Borregaard in Norway. The study might be regarded as phase I of a larger project. However, no further work was undertaken.
  
3. Prefeasibility Study on Hydropower Development - Alto Yaque del Sur. This project was allocated 60% of the total amount available in the Fund. Norwegian consultant: NORPLAN A/S. Contracting and implementing agency: CDE (Corporación Dominicana de Electricidad). The result consists of two reports and includes analysis of existing data, review of previous studies, reports and investigations of physical conditions related to hydrology, geology and topography, and an environmental study. The aim of this project was to provide the Dominican Authorities with the information needed to decide which sites should be studied further. NORPLAN also played a coordinating role concerning mapping, study of sediment transport and geological field investigations including core drilling, seismic work and digging of test pits. The latter were carried out by SERCITEC - INELECTRA - GETOTECNIA (SIG), a joint venture between a Dominican and a Venezuelan contractor financed with a soft loan from Venezuela.

Three Norwegian consultancy firms (Norconsult, Norplan and Interconsult) were invited to bid for the project after receiving terms of reference. NORPLAN was deemed best, both technically and on price, and was awarded the contract.

CDE expresses great satisfaction with the work carried out and the way the field work was organized. Norplan cooperated closely with CDE and the local communities, and it was stated that a great deal of technology transfer has taken place (4 Dominicans have attended courses at the University of Trondheim within the framework of the project).

Based on Norplan's findings Dominican authorities have decided to carry out full-scale feasibility studies and preliminary design for three hydropower sites (of 15 - 13.5 - 6.4 megawatt respectively). Total costs are estimated to be approx. 2.8 million USD of which local costs are 1.5 million USD for



drilling (financed with a soft loan from Venezuela), and 0.5 million USD for logistical support. NORPLAN proposes that the foreign currency costs for these studies are approximately NOK 5.6 million.

4. Prefeasibility Study - Petroleum Planning and Management. Norwegian consultant: NORCONSULT A/S. Contracting and implementing agency: DIGEMIN (Direccion General de Minería).

The study is mainly based on previous studies and analysis of these with recommendations. Norconsult was awarded the contract apparently without any competition. Norconsult was previously known in the Dominican Republic and regarded as a well reputed firm with the right skills and experiences. Representatives of DIGEMIN stated that Norconsult's report was the best ever made for the Dominican Republic in this field.

Part of Norconsult's recommendations is now in the process of being implemented, with IDB financing of 13 million USD.

5. Prefeasibility Study - Merchant Marine. Norwegian consultant: A/S Klaveness Chartering. Local contracting agency: STP/ FONDOPREI.

The study was carried out in cooperation with a local firm (Pellerano, García-Simo y Asoc.). The following four Norwegian firms/institutions were invited to bid: Agder Maritime, Norconsult, Shipdeco and Klaveness.

6. Feasibility Study - establishment of a Maritime Training Center. Norwegian consultant: Shipdeco A/S. Local contracting agency: STP/FONDOPREI.

The project was initiated from the private sector taking the Norwegian financed training center in Jamaica (executed by Shipdeco) as a model. Shipdeco was consequently offered to do a similar study in the Dominican Republic. The study concluded that a similar training school ought to be established in the Dominican Republic. One alternative favoured by national authorities was to place it within the framework of the Dominican Navy. There has been no follow-up.

7. A Study on Rural Development in La Piña, Santiago Rodriguez. Norwegian consultants: ORGUT A/S. Counterpart: STP/FONDOPREI. The mission did not meet with anybody involved in this project but received copies of the Terms of Reference and comments from FONDOPREI on the final report.



### 2.3.5 Additional Findings

In its meetings with the officials in charge of administration of the Fund and execution of the projects financed from it the Evaluation Team found that there were some doubts as to who had been responsible for the selection of projects and who had the ultimate authority in their execution. More particularly, the division of responsibility between ONAPLAN and FONDOPREI had apparently never been clearly spelled out. In part, this was due to the forementioned instability inherent in the Dominican civil service, and in part to the overall STP setup.

For the same reasons, it proved rather time consuming to localize documentation on the origin of the Fund and the execution of the projects. However, thanks to the very cooperative attitude of the ONAPLAN officials, most of this documentation was eventually brought before the Team.

#### 2.3.5.1 Disbursements

The names and signatures of the persons authorized to certify payments from the Consultancy Fund Account were submitted to the Bank of Norway (ref. art. II para. 4 in the Agreement). Disbursements from the Bank were made after direct instruction from the Dominican Republic to the Bank.

The Bank of Norway had not sent statements of account to the Dominican Republic.

#### 2.3.5.2 Consultancy Firms' Relations with Host Country, and Follow-up

Three of the six Norwegian firms contracted for the execution of studies/projects financed from the Fund had had previous professional contacts with the Dominican Republic. Three of the firms state that they had no previous knowledge of the Fund Agreement when negotiations for contracts started. In so far as local follow-up is concerned, most of the studies have not led to any further activities. One Norwegian firm is of the opinion that financing from the Fund was too easily available and that the local users consequently did not take the projects seriously. However, it should be noted that another Norwegian firm, whose contracts absorbed some 60% of the amounts available in the Fund, has expressed great satisfaction with the input from and cooperation with the local executing agency. The latter is presently heavily engaged in continuation of the projects.

Three of the Norwegian firms found that they themselves had benefited from their activities in the Dominican



Republic. Two of them had, subsequent to their Fund financed studies, obtained further contractual engagements in the country. All Norwegian firms involved are of the opinion that a larger degree of involvement, support and guidance from the Norwegian authorities would have been highly beneficial.



## 2.4 JAMAICA

### 2.4.1 Basic Data

#### 2.4.1.1 Basic Data on Country

##### Geographic data:

Area (thousands of sq.km)	11
Population (million - 1983)	2.3
Pop. density (per sq.km - 1983)	205
Capital city	Kingston (0.7 mill.)
Language	English

##### Political data:

Constitution: The Constitution came into force at the independence on 6 August 1962.  
Member of the Commonwealth.

Last election: December 1983

Prime Minister: Edward P.G. Seaga, JLP

##### Dominating parties:

Jamaica Labour Party (JLP) 60 seats of 60  
People's National Party (PNP) (Michael Manley)  
(boycotted last general election)

II. SOCIAL PROFILE		
Population - 1983 (Millions):	2.3	
Avg. Growth Rate (1973-83):	1.3	
Urban/Rural Ratio (1983):	52/48	
Urban Pop. Avg. Growth Rate-1973-83 (%):	2.7	
Life Expectancy at birth (1983)	70	Years
	1965	1983
Infant Mortality Rate: Per thousand live births (Aged Under 1)	51	28
Child Death Rate: Per thousand children (Aged 1 to 4)	4	2
Population Per Physician:	1,930	2,830
	1965	1983
Average Index of Food Production Per Capita:	100	95
	1974-76	1981-83
Access to Water (1980)	Urban	Rural
% of population having access to water for: Drinking: Sanitation:		
Education	% of Age Group	
	1965	1982
Primary School	109	99
Secondary School	51	58
Higher Education	3	6

III. ECONOMIC PROFILE			
<b>A. Basic Indicators</b>			
GNP Per Capita	1978: \$1,190	1983: \$1,300	
Avg. Annual Growth (1965-83):	- 0.5 %		
Consumer Price Index (1980 = 100)	1981: 112.7	1983: 134.0	
	1982: 120.1	1984: 171.3	
<b>B. Structure of Production</b>			
	Percent Distrib. of GDP		
GDP (\$ Mil.)	Agr. (%)	Ind. (%)	Services (%)
1965: 870	10	37	53
1983: 3,140	7	34	60
<b>C. Labour Force:</b>			
Pop. of Working Age (15-64 Yrs.)	Distribution in:		
%	Agr. (%)	Ind. (%)	Services (%)
1965: 51	1965: 34	25	41
1983: 50	1981: 35	18	47
<b>D. External Public Debt and Debt Service</b>			
	1970:	1983:	
	(\$ Millions)		
(a) Ext. Public Debt	160	1,950	
<b>Ratios:</b>			
(b) Debt % of GNP		11.8 %	65.2 %
(c) Debt Serv. % of GNP		1.1 %	6.9 %
(d) Debt Serv. % of Exp.		2.7 %	15.4 %
<b>E. International Reserves (Gross):</b>			
	(\$ Millions)		Months of Imp. Covr. (1983)
	1970	1983	
	139	63	0.4

Source: UNDP



Trade with Norway (mill. NOK):

	1981	1982	1983	1984	1985
Import from Norway	122.9	93.5	63.2	39.8	30.3
Export to Norway	546.7	228.0	340.4	167.8	85.6

Source: Statistisk Sentralbyrå

Norwegian development aid (NOK 1,000):

	Direct bilateral	NGO	Multi- bilateral	Emergency assistance	Other	Total
1980	26,172		2,700	57	434	29,363
1981	4,987		2,220		527	7,734
1982	17,761		2,797		271	20,829
1983	18,732	142	2,025	43	295	21,366
1984	12,708	56	791		447	14,002
1985	18,560	200	517		29	19,306

Source: Min. of Development Cooperation



### 2.4.1.2 Basic Data on Projects

(Reproduced as received from Planning Institute of Jamaica.  
Ref. para. 2.4.4.3)

List of Projects	Date	Funds Commit- ted (NOK)	Contractor	Amount Paid
Advisor to Ministry of Public Utilities - Worker Participation Professor Thorsrud	12/79	250,000	Institute of Advisory Services	USD107,544
Jamaica Maritime Training Institute Programme	26/5/78	200,000	Shipdeco	
Jamaica Maritime Training Institute Programme (Carry-over from Phase I)	22/5/80			
(Carry-over from Phase II)	10/3/82	200,000	SCANDINAVIA (Scandinavian Aviation Con- sultants)	
Expert on Radar (Mr. Jarl Eldjarn)	19/5/82			USD25,758.47
<u>Air Jamaica</u>				
Marketing and Sales Expert (Mr. Larsen)	4/1/82	100,000	SCANDINAVIA	
<u>Jamaica Banana Producers Association Ltd.</u>				
Banana By Product Study	1/10/80	600,000	Norse	USD16,700.00
Study of the Plantain Garden Valley Commercial Growing of Banana	27/6/80 (approval)	250,000		
<u>Port Authority</u>				
Upgrading				
Maritime Transport Study - Passanger Ferry Service	/81	179,000	Shipping Research Service (SRS)	
Engineer for Port Authority (Gilbert Farevaag)	7/81	164,000	Shipdeco	NOK537,300
Installation of Gear Box				USD8,300
Kingston Dry Dock Study			Shipdeco	NOK340,000
<u>Petroleum Corporation of Jamaica</u>				
Laboratory Specialists from (GECO)	7/6/80	200,000	GECO	USD17,766.00
Appraisal of Mid and Western Hydro-electric feasibility Study	25/6/79	68,000	Norconsult A/S	USD9,391.59 (5/9/79)
Source Rock Geochemistry Feasibility Study	6/10/81	500,000		
Ocean Thermal Energy Conver- sion Study	6/10/81	1,200,000	A/S GEOTEAM	



List of Projects	Date	Funds Commit- ted (NOK)	Contractor	Amount Paid
Biostratigraphic Study	/82	1,500,000	IKU	135,108.00
Geochemical Analyses - Rio Grande Valley	1983		IKU	USD11,664.20
Report on Cretaceous Formation in Jamaica (Dr. Verdenices)	7/3/84		IKU	
Geochemical Analyses - Hertford No. 1	1980		OILDECO	
Natural Gas Utilization Study	1982	550,000	) ) ) Not started	
Aqua-culture Study		300,000		
Bauxite Feasibility Study				
<u>Caribbean Cement Company</u>				
Cement Marketing Study NORCEM		400,000	Norcem	
<u>Jamaica Merchant Marine</u>				
Up-dating of Grain Storage Feasibility Study (Contract signed 1/2/80)	20/3/80	50,000		USD10,194.72
Banana Transport Study	8/7/79		Haaland	
Maintenance Planning and Spare Parts System - to be installed Ro/Ro Vessel	5/81	387,500		
Guarantee Engineer - JMM (Peter Nordvik) Morant Bay M/V	7/81	450,000		
Norwegian Consultant (Mr. Alexander Vedeler)	15/7/85			
<u>Jamaica Bureau of Standard</u>				
Technology Testing Centre: Feasibility Study Final report 1/8/80 Contract signed 1/2/80		250,000	Det norske Veritas	USD50,000
<u>Natural Resources Conservation Department</u>				
Oil Spill Contingency Plan Study	24/3/82 (Contract signed)	2,000,000	NORDAN	USD325,000
<u>Ministry of Industry and Commerce</u>				
Ariguanabo Cotton Polyester Mills Study, Evaluation of Mills Tech- nology - Machines		75,000	Hygen & Co.	USD16,826.65
<u>Ministry of Finance</u>				
Training of 2 Ministry Officials (Manhertz and Nicholas) - Tax Regime	20/3/80	35,090.50		USD6,339.56
Training Needs for National Planning Agency		150,000		
<u>Bureau of Standards</u>				
Development of Computerized National Account (Mrs. Bjornland & Mr. Langva)	19/11/84		NORAD	NOK144,065.00 (USD16,225.06)



## 2.4.2 Macro Economic Setting

(Source: IEAS June 1986 and March 1986)

### 2.4.2.1 Background

The 1970's were characterized by negative real GDP growth rates averaging 2%. Per capita income had fallen to \$1,229 by 1980 when the Jamaica Labour Party (JLP) led by Edward Seaga came to power in a crushing election defeat for Michael Manley's People's National Party (PNP). The new government set about a reversal of the radical nationalist policies of its predecessor. Seaga pledged to combat inflation, liberalize trade and reduce state expenditure and control of the economy. Although successful in reversing the negative growth pattern during 1981-1983 when real GDP growth averaged 1.8%, the past 2 years has seen the economy return to an average decline of 2%. The Government's record on inflation was also impressive reducing it from 34.9% in 1978 to 6.5% in 1982. However, the past 2 years have been characterized by average inflation of 28% following the reduction of food subsidies and the devaluation of the Jamaican dollar (by a cumulative 65% since 1983). The deregulation of the economy has been a condition for World Bank and IMF assistance. Although the Government has been successful in achieving the fiscal targets required by the IMF, the reduction in the budget deficit from 16.8% of GDP in 1982/1983 to 7.2% in 1984/1985 was only achieved at considerable cost to output and employment.

The Government has been less successful in reducing the current account deficit which since 1981 has remained over 10% of GDP (22.6% in 1985). This has been in part a consequence of the country's dependence on bauxite and aluminium (accounting for over 50% of total exports). The slower than expected recovery of world aluminium demand, the financial problems of the United States Gulf coast alumina refineries to which much of Jamaica's bauxite is fed, and the recent emergence of several large lower-cost producers have severely eroded Jamaica's market position. Moreover this precipitated the closure of two major multinational mining operations in Jamaica during 1984 and early 1985.

The Jamaican economy in 1985 was plagued by social and industrial upheaval. An increase in petrol prices in January triggered violent street protests, during which several people were killed. By mid-1985 the six largest trade unions organized a general strike - the first since independence in 1962 - in protest against poor living standards, the erosion of real wages (as inflation soared) and economic policy in general. The strike continued for a week and severely disrupted power and water



supplies, closed banks and disrupted air traffic. Although lacking in coordination, it nonetheless drew non-partisan support throughout the country and included the professional and middle classes. Moreover, it arguably forced Seaga to sell embassy property in London and New York for scarce foreign exchange to prop up the sliding value of the Jamaican dollar which was making a new petrol price rise inevitable at the beginning of winter.

Inflation is now over 30%, a quarter of the workforce is unemployed, and social services are being slashed to curb government spending. Meanwhile there is a strong and growing resurgence in the fortunes of the main opposition party (the PNP) lead by Michael Manley.

#### 2.4.2.2 Present Situation

Economic activity during 1985 was influenced significantly by the measures for economic stabilization which the government negotiated with the IMF. These measures continued to have a deflationary impact on real GDP, and included tight monetary and credit policies, increases in interest rates and taxation, a cut back in government spending, plus a further devaluation of the Jamaican dollar.

Agriculture contributes barely 9% of GDP but employs 33% of the workforce. In 1985 it was the only sector which did not suffer a decline. Except for cocoa and citrus, the traditional sector recorded substantial gains in the nine months to September - sugar output up 6.8%, copra up 57.7% and coffee 10.1%. Non-traditionals also recorded strong growth. Despite some recovery in manufacturing, the construction industry contracted by 23% following government expenditure cuts and high interest rates - this reduced industrial production (excluding mining) by 1% in 1985. In addition, the entire economy has been affected by the downturn in the bauxite and alumina industry. Real GDP growth in 1985 was a decline of 3.7%.

#### 2.4.2.3 Outlook

The Jamaican economy was expected to record another year of declining growth in 1986. World Bank estimated a fall of 2-3%. However, Jamaica's Prime Minister Edward Seaga has rejected the advice of the IMF and announced an expansionary budget on 1 May. This was widely seen as an electoral sop for the local government election which was held on 29 July.

The new budget at \$1.04bn was allegedly aimed at encouraging real GNP growth of 5% in 1986. However, the



Government's 5% real growth target seems very optimistic. Taken into account the assumption that continued IMF surveillance will force Seaga back to austerity, especially as the recent flood damage will have serious effects on the agricultural sector, a real GDP growth rate of around 0-2% is more likely.

Jamaica's external payments position will also be affected by these latest developments. The changes will result in a widening of both the trade and current account deficits. Nevertheless, the overall external position will still be better than in 1985.

### 2.4.3 Institutional setting

The Cabinet is headed by the Prime Minister who is appointed from the House of Representatives by the Governor-General. The administration is divided into 17 ministries all headed by a minister. The present Prime Minister also acts as Minister of Finance and Planning.

The Agreement establishing the Consultancy Fund was signed for Jamaica by the National Planning Agency, an agency under the Ministry of Finance and Planning. This institution was also made responsible for the administration of the Fund. The National Planning Agency has later changed its name to the Planning Institute of Jamaica (PIOJ).

For some time the Government of Jamaica has not produced a development plan in the traditional sense. The priorities for technical and financial assistance are established in support of the development objectives as determined by the Government.

The Planning Institute of Jamaica has played a central role in all the projects and studies carried out within the framework of the Consultancy Fund. In one case PIOJ has also operated as the implementing agency. However, in most cases, the contracts have been negotiated and signed by the implementing agency itself, and thus not been dependent on the rules and regulations to which PIOJ as a government body is subjected.

PIOJ is divided into 6 divisions and employs a total of 175 staff. The Division for Technical Assistance, consisting of 12 professionals plus supporting staff, has throughout the whole history of the Fund been the link with Norway, and has all this time been headed by the same person.

Within the framework of the Agreement, 13 Jamaican agencies, most of them parastatal, but also a few private,



have benefited from the Fund. A number of implementing agencies have also in the course of the years developed a close relationship with Norway, partly through the execution of the consultancy projects, but mainly through other international development arrangements between Norway and Jamaica.

#### **2.4.4 Initial Findings During Period of Field Work**

(Text as agreed between PIOJ and the Evaluation Team on 3.7.86)

##### **2.4.4.1 General Understanding of Agreement and Procedures**

The following is based on the Terms of Reference for the Post Evaluation Mission.

The Mission visited Jamaica 28 June - 3 July 1986 and held discussions with the relevant Government authorities. The Norwegian participants were in all meetings with the executing agencies joined by at least one representative of the Planning Institute of Jamaica (PIOJ).

The main preliminary findings of the Mission can be summarized as follows:

- The Consultancy Fund was established in June 1979 (and replenished in June 1980 and 1982), and closely connected with the Joint Jamaican/Norwegian Commission established for the implementation of the Agreement on Trade, Economic, Industrial and Technical Cooperation (TEITC). It is understood that this new modality represented by the Fund was proposed by the Norwegian side as the most convenient for accommodating Jamaica's requests for technical assistance in specific fields.
- The agreement establishing the Fund was for Jamaica signed by the National Planning Agency, an agency under the Ministry of Finance and Planning (now the PIOJ) which was also made responsible for the administration of the Fund.
- The text of the agreement was basically perceived as clear. The term "within the general framework of cooperation" was seen as a direct reference to the "TEITC-agreement" and the frame of reference given by the Joint Commission. It was understood that the Fund was limited to financing of studies and their direct related costs.
- Other activities not agreed upon at the time of the Joint Commission were referred to Norway for approval by the PIOJ in keeping with the understanding of the



PIOJ. At the same time the understanding was that consultancy services in the form of institutional support could not be financed by the Fund. No amendments to the Agreement in these respects were made.

- Information on the availability of Norwegian consultants/firms in general was not provided. Selection of firms was mostly based on previous contact or as a result of meetings in the Joint Commission.
- The reporting requirement established in Art. II, para. 6, of the Agreement has been fulfilled with regard to Statement of Accounts; however, not always on a timely basis. The obligation to provide information about contracts signed seems to have been adhered to during the early years of the Fund; however, in the past few years with the slowing down of the utilization of the Fund, this practice appears to have been disregarded. Approval from Norway nevertheless continued to be sought.
- The Mission was not able to obtain a complete list of projects with total cost figures. However, it was confirmed that detailed accounts were kept for every project.
- There are standard guidelines within the public sector for the granting of contracts for the delivery of goods and services for investment projects. There seems to be more flexibility in the procedures employed for the engagement of consultants. The PIOJ has not established special rules or guidelines for selection and employment, mainly due to the identification process during the Joint Commission meetings.
- In retrospect, Jamaican authorities expressed satisfaction with the flexibility inherent in the Agreement on the use of the Fund. It was, however, noted that the different understandings led to the more restrictive utilization of the Fund.

#### 2.4.4.2 Developing Planning and Need for Technical Assistance

The Jamaican economy has been severely hit by the worldwide recession, particularly through the decrease in export income from traditional products: bauxite, alumina, bananas and sugar. This, in turn, has reduced the country's capacity to import necessary inputs for the manufacturing and tourist industries which both need such inputs for further development. Economic activities in Jamaica have since 1981 been in keeping with the agreements entered into with the IMF. Subsequently the economy experienced moderate growth after a decade of negative growth in the 1970's.



The Government of Jamaica has not produced for some time a development plan in the traditional sense. The priorities for technical and financial assistance are established in support of the development objectives as determined by the Government. For instance, the UNDP has been informed that its country programme should mainly concentrate on human resources development, export promotion and technology, while the IDB has been asked to assist in the export aspects of agriculture, tourism and industry.

According to UNDP's Annual Report on Technical Assistance, in 1983 Jamaica received assistance worth 45.5 million USD of which 40 million USD was from bilateral sources (Australia, Brazil, Canada, West Germany, France, Norway, Netherlands, Switzerland, United Kingdom, USA). The bulk of this assistance was directed towards general development issues (31%), natural resources (22%), agriculture-forestry-fisheries (13%) and industry (13%).

#### 2.4.4.3 Assessment of Projects

The studies carried out with financing from the Consultancy Fund do not all fall within these priority sectors, but they are all clearly related to the Government's efforts to strengthen the overall economic picture. These studies have been selected by PIOJ, in negotiation with the Norwegian Government (in connection with the Joint Commission meetings).

It was stated that all proposed projects/studies were examined and accepted by Norway prior to contracting, and that Norwegian Authorities had received terms of reference for all projects.

Most of the projects/studies carried out within the framework of the Consultancy Fund originate from the meetings of the Joint Commission. Representatives of the respective fields were to a large extent introduced to each other during the meetings. Consequently, most of the Jamaican implementing agencies have in most cases negotiated contracts directly with the respective firms without invitation for competitive offers. Within the framework of the Agreement, 13 Jamaican agencies have benefited from the Fund through the execution of 26 projects/studies carried out by a total number of 16 Norwegian firms/institutions, re enclosure\*). The Mission met with and received a short written report from most of the Jamaican contracting/implementing agencies.

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\*) Incorporated in "Basic Data on Projects".



All representatives of the implementing agencies expressed satisfaction with the work carried out by the Norwegian consultants. Most studies have either led to implementation or further studies.

#### **2.4.5 Additional Findings**

The Evaluation Team was briefed by the officers responsible for central administration of the Fund as well as representatives of the local executing agencies and was very favourably impressed by the knowledge and engagement of both groups.

In contrast to the case in the other three funds, the utilization of the Jamaican one had been the subject of detailed discussions between local and Norwegian authorities, mostly in connection with the Joint Commission meetings. This had led to one particular interpretation of the Agreement, namely that Norwegian approval of each individual project was a prerequisite for execution of the project. The fact that this practice never was formalized nor understood by the present Norwegian administration has led to queries being raised as to the need, or indeed reason, for Jamaica's feeling of obligation in this respect as well as their alleged practice of submitting substantial post-project documentation. In this connection, it should be mentioned that NORAD apparently has not received such documentation.

Also the fact that the Fund's account was held in the Bank of Jamaica rather than the Bank of Norway distinguished this Fund from the other three. It was not possible for the Team to obtain an exhaustive statement for this account, but apart from substantial delays suffered by a few of the Norwegian consultants, this particular arrangement does not appear to have had negative consequences.

##### **2.4.5.1 Consultancy Firms' Relations with Host Country, and Follow-up**

Some 16 Norwegian firms and institutions have carried out studies or other consultancy tasks financed from the Fund. The majority of these projects were of a fairly restricted nature, both in terms of subject matter and in financing. Seven of the firms have answered the Team's questionnaire.

Five of these seven firms had been in professional contact with Jamaican authorities before negotiations for Fund financed projects commenced, more often than not because these firms had participated in Joint Commission meetings. All seven firms were awarded their respective contracts after direct negotiations, without any form of open competition.



In most cases, there has been little contact between the Norwegian firm or institution and the Jamaican executing agency after the conclusion of the Fund assignment, and none of the assignments have yet led to additional commercial Norwegian engagement in the country.

Most of the seven firms are of the opinion that the Agreement could have been administered in a more flexible way, and that NORAD ought to be more actively involved.



### 3. OVERALL ASSESSMENT

#### 3.1 GENERAL NEED FOR DEVELOPMENT ASSISTANCE

##### 3.1.1 Technical Assistance

The analyses of the Macro Economic Setting presented in the foregoing for each of the four countries clearly show that all these countries are in need of external financial support.

The Evaluation Team's findings corroborate this conclusion and furthermore point to the need for technical assistance. All four countries suffer from a lack of adequate expertise in the economic sectors in which Norwegian consultants have been working. Consequently - and this is an opinion shared by local authorities and the Evaluation Team members - the Norwegian consultants were engaged in tasks which could not have been undertaken by local firms or institutions, even if financing for such local solutions had been available.

##### 3.1.2 Norwegian Expertise

The great majority of the studies financed under the consultancy funds were carried out in the fields of energy (hydro and oil), energy related industry, shipping, fishery, forestry, rural development, industrial management, and institutional development. These are all fields where Norwegian expertise is particularly strong and in many cases represents the state-of-the-art. There can be little doubt that the four countries will need this type of external expertise for the foreseeable future and that the Norwegian industry is capable of delivering the services required.

#### 3.2 EFFECTIVENESS AND EFFICIENCY OF CONSULTANCY FUNDS

##### 3.2.1 Degree of Integration into Local Development Efforts

The four consultancy funds constitute a rather unusual form of development assistance, distinguished from other forms primarily in that the recipient country is almost solely responsible for the utilization of the funds involved. The only limitation imposed in the four consultancy fund agreements is the requirement of spending the allocation only on Norwegian consultancies. This degree of freedom presupposes an active engagement by the recipient country both in the selection and the supervision of activities which will normally ensure that these fall



well within the country's development priorities and that existing local institutions are fully involved at all stages of execution of the activities.

The Team found that all projects financed under the four consultancy funds were selected in accordance with the respective country's priorities. However, not all projects were executed in close cooperation with local agencies, and in some cases the latter did not benefit from transfer of technology to the degree desired.

### 3.2.2 Developmental Contribution

In general terms, the projects executed within the framework of the four consultancy funds were selected in accordance with the development priorities of the respective recipient countries, and in accordance with sectoral needs as identified at the time of request for assistance. The Team received assurances from all institutions involved in the administration of the funds that these responded to an existing need and had proven highly useful. The institutions were deeply grateful for this Norwegian assistance.

Furthermore, the majority of the executing institutions, the exceptions being some of the Nicaraguan cooperating agencies, expressed satisfaction with the execution of the projects and the results obtained. The Team is also of the opinion that the activities financed by the funds contributed positively to economic and social development in the four countries, albeit on a modest scale, given the amount of financing available.

### 3.2.3 Dependency on the Strength of Local Institutions

Inherent in the consultancy fund concept is a dependency on the local institutional strength and experience, both in selection and contracting of consultants, as well as ability to assist and/or direct the Norwegian consultants. This is obviously also the case with other modalities of technical assistance, due to the very raison d'être of the assistance, namely the developmental situation in the recipient country which brings about the need for institution building. But the consultancy funds - in contrast to e.g. traditional NORAD technical assistance - do not provide any help in this respect, it is entirely up to the recipient country and its institutions to ensure that the activities financed by the funds produce the desired results.

Particular circumstances in the recipient country may aggravate this situation. Thus, in Nicaragua, the transitional political status, and in the Dominican Republic, the non-existence of legal security for civil servants



and parastatal personnel, have perhaps influenced the ultimate utility of the projects executed, notwithstanding the fact that also these two countries have found acceptable solutions to the institutional reception of these projects.

The Team observed that, in all four countries, the IDB applied rigorous standard rules and regulations for the utilization of its pre-investment loans, and that in so doing assisted the country in building up its institutional capacity to negotiate, contract and execute consultancy projects. Presumably, other international organizations do the same. The Team did, however, also hear complaints that sometimes this rigour is felt as a straitjacket which acts contrary to the desire for expeditious and uncomplicated cooperation.

### 3.3 SUFFICIENCY OF THE FINANCING

The sufficiency of the consultancy fund financing can be measured against two criteria: either the country's overall needs or the objectives established in the fund agreement, or a combination of both. In all cases, the measurement depends on the definition of the central concept "consultancy services". The four agreements do not include such a definition, and it appears that no attempt has been made to provide one. The result is that the four countries and their institutions involved have produced a variety of interpretations of "consultancy services".

However, most commonly the interpretation has been exceedingly narrow and included only payment for personnel services, travel and other such direct staff costs normally linked to studies. Based on this perception, and taking into account the planning and executing capabilities of the institutions in the recipient countries as well as the interest shown by and capabilities of the Norwegian consultancy industry, the funding has generally speaking been sufficient. (One major exception is the execution of projects of the NORPLAN type in the Dominican Republic, where much greater funding would be required to bring the studies to conclusion.)

If the concept of "consultancy services" were given a much wider interpretation, including e.g. provision of long-term management assistance or of costly equipment or large scale training of local staff, then the financing extended under the four consultancy fund agreements is marginal in comparison with the recipient countries' total needs.



### 3.4 APPROPRIATENESS OF MODE OF OPERATION

Consultancy funds as a modality of development financing can intrinsically be utilized in a manner consistent with the basic principles for Norwegian development assistance. However, the actual administration of such funds may well fall short of this overriding requirement. Some of the pitfalls will be analysed in the following.

#### 3.4.1 Lack of Mutual Information

It is rare and, indeed, generally undesirable that development assistance takes the form of completely untied transfer of funds from donor to recipient. The general pattern is that such transfers are subject to detailed agreements which oblige both donor and recipient to take an active responsibility for the utilization of the funds and to keep each other fully informed about their plans and intentions, about disbursements made and about results achieved, not only for control purposes, but also as a source of mutual inspiration.

The agreements ruling the four funds in question are characterized by an almost complete lack of information requirements, and the dossiers studied by the Team in Oslo and in the four recipient capitals contain little evidence that it was ever attempted to remedy this shortcoming. To some extent this may be due to changes in administrative structures and staffing at both ends, but the primary reason is the initial silence about institutions and/or persons responsible for exchange of information.

Unfortunately, this lack of mutual information has had consequences for all stages of the administration of the funds.

#### 3.4.2 Selection of Consultants

One example is that all decisions regarding selection of consultants were, except in the case of Jamaica, made by the recipient countries, without any information given to or sought from Norwegian authorities. The recipient countries therefore had limited access to knowledge about Norwegian industry in general and about experienced and well-reputed consultancy firms in particular.

It can safely be assumed that some of the Norwegian consultants selected would not have been contracted if Norwegian authorities had been asked for advice. Also, in some cases, Norwegian official assistance might have improved the terms of the contracts established as seen from the recipient parties' side.



### 3.4.3 Lack of Adequate Reporting

The four consultancy fund agreements stipulate that the recipient "shall inform Norway after each signing of the contract and shall every six months ..... provide Norway with a statement of account which shall include appropriate documentation in respect of the use of the Fund".

Whilst the recipient countries have, by and large, complied with the general tenor of this stipulation, the interpretation of "appropriate documentation" leaves much to be desired. The Oslo files do not comprise copies of detailed invoices from the consultancy firms, nor indeed of the consultants' final reports.

Furthermore, the relevant institutions in Nicaragua, Costa Rica and the Dominican Republic have not received any statements of their respective accounts with the Bank of Norway, nor has it been possible to obtain an exhaustive statement of account from the Bank of Jamaica concerning the Jamaican fund.

### 3.4.4 Banking Arrangements

The Team's discussions with the Bank of Norway revealed that no agreement or firm understanding as to the operation of the three consultancy fund accounts has been established. In practice, there had been frequent doubts with respect to authorization of and responsibility for payments. This was also reflected in the Bank's internal statements of account which are not normally intended for customer use. The anomaly of keeping the accounts in US dollars while payments were made in both Norwegian kroner and US dollars was also commented upon: in one case (Dominican Republic fund) the original deposit was made in NOK instead of USD and due to later fluctuation in exchange rates the fund was left without the possibility of meeting its obligations, which in turn led to the need for a replenishment simply to fill the gap thus created.

In response to a direct question the Bank officers expressed the opinion that a Norwegian commercial bank would have been in a better position to provide the required services, with the additional advantage that deposits would have earned interest. If the Bank were to continue handling this type of accounts, a clear operational agreement would be a sine qua non.

### 3.5 ADEQUACY OF TERMS AND CONDITIONS

Generally speaking, it would have been logical and helpful for the authorities in Nicaragua and the Dominican Republic if the agreements concerning their two funds had been written in Spanish.



All four agreements are written in very broad terms and suffer from a lack of definition of these terms as mentioned in chapter 1.2.3. It has not been attempted to produce such definitions e.g. in explanatory statements or exchange of correspondence, and there is little doubt that the insecurity thus created has had a detrimental influence on the administration of the funds, both at the donor and at the recipient side.

This assessment has general validity with the exception of the period during which use of the Jamaica Fund was governed by the Joint Commission during its meetings. The overall principal weakness of the texts of the agreements stems from the fact that the first of these texts was written with a view to maximum flexibility in the Joint Commission's activities. In the case of the other three countries, there was no such commission at any time, with the ensuing similar consequences.

### 3.6 ACHIEVEMENT OF OBJECTIVES STATED IN AGREEMENTS

The overall objectives stated in the four agreements are of such general nature as to be useless as yard-sticks against which to measure the results achieved.

Thus, the agreement for the Jamaican fund states that "the purpose of the Fund shall be to finance consultancy services carried out by Norwegian consultancy firms in connection with projects within the general framework of cooperation between Norway and Jamaica".

The other three agreements have as general objective "..... to cooperate in promoting the economic and social development of ....."

In the absence of objective criteria for measurement, the Team's best effort in evaluation is the one given in para. 3.2.2.

### 3.7 ACHIEVEMENT OF OTHER OBJECTIVES

During its reading of the background documents related to the establishment of the funds and its interviewing Norwegian civil servants involved in this establishment, the Team has observed that two additional objectives were taken into consideration:

- a. The creation of a development assistance tool which would not require much administrative handling by Norwegian authorities. However, the civil servants involved found that they had spent much time and effort on the handling of the funds, and this objective was therefore not achieved. The Team is of the



opinion that this is a direct consequence of the general nature of the agreements with their inherent lack of definitions as discussed above.

- b. In addition to the contracts directly created by fund financing, the establishment of a starting point and a positive atmosphere for engagement of Norwegian industry on a commercial basis in the recipient countries. This objective has been described as "door opening". In the short term, there have been precious few results of this nature following the exhaustion of the four funds. However, in the longer term, the goodwill created by the more successful fund activities may well yet prove to be of value for Norwegian commercial endeavours in three of the recipient countries.



"Hay, hermanos, muchísimo que hacer" \*)

#### 4. CONCLUSIONS AND RECOMMENDATIONS

##### 4.1 Conclusions

The Evaluation Team is satisfied that it has had access to well nigh all relevant information concerning the inception, the practical handling, and the achievements of the four consultancy funds. The evaluation exercise has also benefited from opinionated statements from many of the persons involved at all these stages. Consequently, the Team stands on solid ground when drawing the following conclusions.

The overall picture of the funds is as multi-coloured as is the picture of any other modality of development assistance: some projects have more than fulfilled the expectations of their sponsors, some have had mediocre success, and some have failed.

The reasons for this heterogeneousness are similarly diffuse. Where the outcome was positive, the projects had been well designed, the operative partners well chosen, the objectives well defined, and the financing sufficient. Where the results were poor, human error, slackness, political disturbances and lack of necessary project inputs were among the culprits.

Under proper conditions, consultancy funds constitute highly efficient, effective and expeditious development tools requiring a minimum of administrative effort, particularly from the donor side.

Consultancy funds are eminently adaptable to variegated local conditions and lend themselves as vehicles for strengthening of local institutions - rather than the often wasteful building of new institutions.

Transfer of technology in connection with the use of consultancy funds takes place at two levels: the recipient obtains new knowledge in the field subject matter of a project, and at the same time acquires valuable experience in negotiating and executing international consultancy contracts.

Consultancy funds introduce an element of competition not frequently seen in connection with other modalities of development assistance, beneficial for both quality and price of the results obtained.

Consultancy funds provide a "door opener" function for commercial interests, in that fund financed projects can be followed up with additional commercially financed exports of goods or services.

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\*) "Brothers, there is so much to be done", the concluding verse in the Peruvian poet Cesar Vallejo's poem "Los nueve monstruos"



The symbiosis of governmental administration and private commercial interest often seen in the individual consultancy fund financed projects introduces new constructive elements into development cooperation, frequently with the side effect of diminishing the donor-recipient polarisation.

All the foregoing conclusions point to the consultancy fund modality as being a highly valuable one amongst the alternative development assistance modalities.

The overriding drawbacks in the four consultancy funds evaluated can be ascribed to the poor quality of the four agreements governing their use. The Team finds that the objectives stated in these agreements are non-operational, and that the agreements in their entirety are inadequate by any standards. This sad state of affairs is compounded by the fact that it has never been attempted to create clarifications or interpretations of the many pitfalls hidden in the all too short texts of the agreements. A covering letter to each agreement, or better still an exchange of letters between the interested parties, could have produced very substantial improvements in the understanding of basic purposes as well as operational possibilities inherent in these agreements.

This lack of stringency, presumably created by a desire for flexibility, in turn had a certain demoralising effect on the administrative staff at both donor and recipient side. Where most international development organizations operate with very strict rules on selection, contracting and payment of consultants, the consultancy agreements had no rules at all, or alternatively references to existing local rules and regulations. Where it is international practice that consultants are given detailed instructions on implementation, invoicing and reporting in connection with their task, the agreements did not stipulate the need for such instructions. The administrative staff therefore had no support in the agreements if and when they tried to enforce improved standards.

In most traditional societies, the acts of giving and receiving presents are ruled by cumbersome, detailed, inherited customs, which are the result of many generations' positive and negative experiences with this potentially dangerous province of human togetherness. Characteristic for such customs is the perception of shared responsibility between donor and recipient for the success of the donation act. Only when the donor continues to take an active interest in the use of his present can the recipient be fully satisfied with it. - The latter-day tendency to replace the term "development aid" with "development cooperation" illustrates an increasing awareness in this respect.



"Arabian Nights", on the other hand, tells about the man who, with the intent to destroy his neighbour, anonymously threw a purse full of gold into the neighbourly courtyard. The trick worked: within a short time, the neighbour and all of his family were dead. Here is an extreme case of non-shared responsibility for a gift.

The Evaluation Team is of the opinion that Norway, in the signing of three of the consultancy fund agreements, did not fully acknowledge her role as a responsible partner in the development of the recipient country, and that a majority of the shortcomings in the administration of these three funds stemmed from this lack of adherence to the principle of shared responsibility.

Notwithstanding these shortcomings, the Team wishes to reiterate its basic perception of the four consultancy funds as having been at least as successful as alternative forms of development cooperation, and its firm conviction that the consultancy fund modality is a very valuable addition to the list of other existing modalities.

#### 4.2 Recommendations

On the background of its findings and conclusions, the Evaluation Team has no hesitations in recommending the future use of consultancy funds as one alternative modality in Norwegian development assistance.

However, due care must be taken to ensure optimal utilization of financing and other resources, as well as correct interpretation of the donor's intentions in establishing such funds.

In the first instance, the basic fund agreements must be improved substantially. This can be done either by improving the texts of the agreements, or by providing detailed interpretations of these texts.

Thus, it must be clear

- within which limits the recipient country can make use of the financing provided;
- who has the institutional responsibility for administration of the fund, preferably not only at the department level, but also at the desk level, and both at the donor and the recipient end;
- which are the requisite control and reporting functions to be adhered to during the lifetime of the fund;
- which type of information must be provided from each of the partners to the other, with a view to improving the quality of the end products;



- what kind of periodical review of the fund's operation must be held, in order to allow for further interpretation of the agreement and direct exchange of views on the operational aspects.

The overall aim of these improvements is to ensure that the administrative staff in charge of the funds at both ends receive unambiguous instructions as to their responsibilities.

Further improvement in the funds' operations can be achieved by having administrative staff visit the other partner country, at least at the inception of activities, to familiarize themselves with the conditions prevailing in the other country and with the persons with whom they have to communicate in future. In this context, it ought to be a rule that Norwegian staff has a minimum knowledge of the administrative language used in international cooperation in the recipient country, e.g. Spanish.

To the extent that use of fund financing is tied to Norwegian services it is prerequisite that the recipient party, prior to inception, be given the opportunity to become familiarized with the possible sources of such services, as well as with the competitive angle of the Norwegian market.

Whilst it is not imperative for the proper functioning of the funds, it is desirable that a certain automaticity in their replenishment be established, to ensure that projects or services requiring grant financed follow-up can be brought to a proper conclusion.







T E R M S   O F   R E F E R E N C E

FOR THE EVALUATION OF THE FOUR NORWEGIAN CONSULTANCY FUNDS ADMINISTERED BY THE GOVERNMENTS OF: THE REPUBLIC OF COSTA RICA, THE DOMINICAN REPUBLIC, JAMAICA AND THE REPUBLIC OF NICARAGUA

1. Introduction

During 1979-1984 individual agreements concerning establishment of a Consultancy Fund was signed between the referred governments and Norway. A common feature of all the agreements (as stated) is that the purpose of the Fund; "shall be to finance consultancy services carried out by Norwegian consultancy firms in connection with projects within the general framework of cooperation between Norway and the respective country". Further, that the individual country should determine the manner in which the Fund is to be used and shall have the responsibility for the negotiation and signing of contracts with Norwegian consultancy firms. Norway on the same time obliged herself, upon the request from the respective country, to give appropriate information concerning Norwegian consultancy firms for particular projects. The country concerned shall inform Norway after each signing of contract and shall every six months provide Norway with a statement of account which shall include appropriate documentation in respect of the use of the Fund.

In total NOK 34 million has been contributed, of which approx NOK 3 million remains unutilized.

Requests for prolongation of some of the agreements have been received.

2. Mode of work

The evaluation, hereafter called the Project, shall be based on written material concerning the Funds and related projects. This material shall upon request be made available by the respective national and Norwegian authorities, and other relevant sources. Further, the Project shall be based



on interviews with responsible representatives of above-mentioned authorities.

The evaluation team, hereafter called the Consultant, may also find it desirable to contact and interview Resident Representatives of UNDP and International/Regional Finance Institutions.

The Project shall be undertaken in close cooperation with the relevant national authorities.

### 3. Objectives

The overall objective of the Project is to assess the results of the respective Consultancy Funds and the effectiveness and means employed to achieve these results, and the correspondence between the results and the set goals, in particular:

- To determine to which extent the objectives stated in the respective agreements have been achieved;
- To determine whether the financing and mode of operation were sufficient and appropriate to attain or contribute to attainment of the stated objectives;
- To determine whether the form of assistance chosen was the most efficient and whether other methods to attain the objectives could have been more reasonable;
- To determine whether the terms and conditions embodied in the respective agreements proved adequate to ensure attainment of the objectives within the framework of the recipients' capabilities;
- To determine whether the respective Funds have made significant contribution to economic and social development in the countries concerned.



#### 4. Scope of Work.

The study will cover completed and ongoing projects/services financed under the four agreements and include but not limited to the following:

- i) Review and examination of agreements and underlying documentations to determine whether the stated objectives have been sufficiently clear to be operational and for measurement of results;
- ii) Identification and assessment of the adequacy of information given to Norwegian firms about the establishment and operation of the Funds;
- iii) Identification in broad terms of the respective country's general need for technical assistance, with particular emphasis on consultancy services as indicated in current development plans;
- iv) Identify and assess the national priority ranking of the contracted services in relation to the relevant development plans and budgets.
- v) Identification of the need for and relevance of Norwegian consultancy services, in general, and in particular with regard to services contracted under the Agreements.
- vi) Assessment of the quality and impact of services financed, including fundability and implementation status of the projects/services financed.
- vii) Assessment of the responsible national institutions' capabilities and performance in administering the Funds with particular emphasis on current rules and regulations for selection and employment of consultants and how these have been adhered to in contracting under the Fund facilities.



## 5. Project execution - reporting

The Consultant is supposed to consist of three persons with relevant experience from

- public planning, including project financing and implementation,
- aid planning and the corresponding administration,
- use of consultant on aid project,
- knowledge about the recipient countries,
- knowledge about Norwegian Aid Programmes, policy and administration.

The Project is anticipated to be carried out in three phases:

### Phase I

During this phase the Consultant shall familiarize themselves about projects carried out under this programme, including studies of relevant documents and reports.

Further interviews of DUH/NORAD personnel administering the Consultant Funds and Norwegian companies/personnel who have carried out projects under this programme should also be included in Phase I. At the end of Phase I the Consultant shall present an Inception Report summarizing his preliminary findings, outlining a programme for the field studies plus proposals for possible changes for TOR for the remaining two phases.

Time consumption is anticipated to 1 week for the Project Manager and up to 4 weeks for the two other Consultants together, totaling 5 man-weeks.

### Phase II

This phase comprises visits to the four countries. The Consultant shall familiarize themselves with the local conditions and needs as outlined in Clause 4. The Consultant is supposed to interview relevant key people and visit projects executed under this Programme.

Time consumption is anticipated to 1 week for each country,



totaling  $4 \times 3 = 12$  man-weeks.

### Phase III

This phase includes the completion of the Final Report which shall present the findings and conclusions of the Consultant. As a first step the Consultant shall present a Draft Final Report to the MDC (Norwegian Ministry of Development Cooperation).

It is assumed that the MDC, and possible others that the MDC may wish to contact, will need approx 4 weeks for commenting. After receiving the comments the Consultant shall complete the Project by presenting the Final Report.

Time consumption is anticipated up to 2 weeks for the Project Manager and up to 7 weeks for the other two team members together, totaling 9 man-weeks.

The Project is foreseen to be completed (including printing of Final Report) by end September, 1986.

Oslo, 25.04.86

Ministry of Development Cooperation, Norway

  
Rolf Skudal

Head of Division (Evaluation)





Composition of the Evaluation Team

The Evaluation Team was composed of the following three persons, all appointed in their professional capacities as independent experts.

Mr. Dag Larsson (Project Manager):

- Diploma (DIFM), Institute of Marketing, Oslo, 1970
- PED, IMEDE, Lausanne, Switzerland, 1975
- Present Position: Special Advisor/Chief, Investment Cooperation, Industrial and Commercial Cooperation Department, NORAD/Ministry of Dev. Coop. (1976 -)
- Previous Employment:
  - UNDP, Addis Ababa, Ethiopia  
Central Planning - Senior Advisor. Oct.-Dec. 1985/Apr. 1986
  - Asian Development Bank, Manila, Philippines  
Alternate Executive Director. 1979-81
  - Ministry of Cooperative Development, Kenya  
Cooperative Advisor/Specialist. 1971-75
  - 5 years as a consultant in marketing  
Oslo, Norway. 1966-70

Mr. Jens Høgel:

- MSc in electronics, Royal Technical University of Denmark, 1961
- Present position: Managing Director, Dunard Management Service, Edinburgh
- Previous employment:
  - Nordic Investment Bank, Helsinki, Finland  
International Lending - Vice President. 1980-84
  - United Nations Development Programme. 1968-80  
Work in the field and at the headquarter including 4 years in Central America, 5 years as Resident Representative, Upper Volta and 2 years as Director, Desertification Control Programme, Nairobi, Kenya
  - Universidad de Huamanga, Ayacucho, Peru  
Professor of physics. 1965-68

Mr. Bjørn Henriksen:

- Mag.art. Political Science, University of Oslo, 1975  
Thesis: Norwegian Industry and Developing Countries
- Present position: Project Manager, HIFAB International AS, Oslo.
- Previous employment:
  - Christiania Bank og Kreditkasse, International Division, Oslo.  
Regional Manager, Asia/Pacific and English speaking Africa. 1980-85
  - NORAD, Industrial and Commercial Cooperation Department  
Senior Officer. 1978-80
  - ILO/UNDP, Papua New Guinea.  
Associate Expert, Business Development. 1976-78
  - The Norwegian Productivity Institute.  
Secretary to the Institute. 1974-76





A G R E E M E N T

between

THE GOVERNMENT OF THE KINGDOM OF NORWAY

and

THE GOVERNMENT OF THE REPUBLIC OF NICARAGUA

concerning

the establishment of a consultancy fund for the financing of studies to be carried out in Nicaragua by Norwegian consultants.

The Government of the Kingdom of Norway (hereinafter referred to as "Norway") and the Government of the Republic of Nicaragua (hereinafter referred to as "Nicaragua"), desiring to cooperate in promoting the economic and social development of Nicaragua, have agreed as follows:



## Article I

## Scope

1. Norway shall, subject to Parliamentary appropriations provide a financial grant not exceeding Nkr 4 000 000,- (four million) which shall be utilized exclusively to cover the expenditures in connection with the establishment and operation of a consultancy fund (hereinafter referred to as "the Fund"). The purpose of the Fund shall be to finance:

- (i) consultancy services carried out by Norwegian consultancy firms in connection with projects within the general framework of cooperation between Norway and Nicaragua.
- (ii) consultancy services carried out by Norwegian consultancy firms aiming at neutral reevaluation of feasibility-studies carried out by consultancy firms from third countries.

2. Nicaragua shall determine the manner in which the Fund is to be used and shall have responsibility for the negotiating and signing of contracts with Norwegian consultancy firms.

3. Norway will, upon request from Nicaragua, give appropriate information concerning Norwegian consultancy firms for particular projects.

4. Norway shall be under no obligation to participate in the financing of projects in Nicaragua except for those consultancy services to be carried out under this Agreement.

## Article II

### Disbursement and Reporting

1. Norway shall, on behalf of Nicaragua, open an account with the Bank of Norway to be known as "the Norway - Nicaragua Consultancy Fund" - (hereinafter referred to as "the Account"). The Account shall be held in United States currency.
2. Norway shall deposit the equivalent of Nkr 4 000 000,- (four million) with the Bank of Norway for credit to the Account.
3. Nicaragua shall, when disbursements are to be made in order to finance the consultancy services mentioned in Art. I, in each case authorize Norway to draw on the account on its behalf.
4. Prior to the first disbursement, Nicaragua through the Ministry of the Fondo Internacional para la Reconstruccion (FIR), shall inform the Bank of Norway of the titles of the offices of the persons authorized



to certify payments from the Account.

5. Nicaragua shall inform Norway after each signing of contract and shall every six months, beginning from the date of the commencement of this Agreement, provide Norway with a statement of account which shall include appropriate documentation in respect of the use of the Fund.

### Article III

#### Disputes - Entry into force - Termination

1. If any dispute arises relating to the implementation or interpretation of the present Agreement, there shall be mutual consultations between the Parties with a view to securing a successful realization of the purpose of the Agreement.

2. The present Agreement shall enter into force on the date of its signature, and shall remain valid until the date both Parties have fulfilled all obligations arising from it.

3. Notwithstanding the provisions of paragraph 2 of this article each Party shall be entitled to terminate the present Agreement by giving to the other Party three months' notice in writing. Such termination shall not affect commitments undertaken by the Nicaraguan Government







A G R E E M E N T

between

THE GOVERNMENT OF THE KINGDOM OF NORWAY

and

THE GOVERNMENT OF THE REPUBLIC OF COSTA RICA

concerning

the establishment of a consultancy fund for the financing of studies to be carried out in Costa Rica by Norwegian consultants.

The Government of the Kingdom of Norway (hereinafter referred to as "Norway") and the Government of the Republic of Costa Rica (hereinafter referred to as "Costa Rica"), desiring to cooperate in promoting the economic and social development of Costa Rica, have



agreed as follows:

## Article I

### Scope

1. Norway shall provide a financial grant not exceeding 4 000 000,- (four million) Norwegian Kroner which shall be utilized exclusively to cover the expenditures in connection with the establishment and operation of a consultancy fund (hereinafter referred to as "the Fund"). The purpose of the Fund shall be to finance:

consultancy services carried out by Norwegian consultancy firms in connection with projects within the general framework of cooperation between Norway and Costa Rica.

2. Costa Rica shall determine the manner in which the Fund is to be used and shall have responsibility for the negotiating and signing of contracts with Norwegian consultancy firms.

3. Norway will, upon request from Costa Rica, give appropriate information concerning Norwegian consultancy firms for particular projects.

4. Norway shall be under no obligation to participate in the financing of projects in Costa Rica except for those consultancy services to be carried out under this Agreement.

## Article II

### Disbursement and Reporting

1. Norway shall, on behalf of Costa Rica, open an account with the Bank of Norway to be known as "the Norway - Costa Rica Consultancy Fund" - (hereinafter referred to as "the Account"). The Account shall be held in United States currency.
2. Norway shall deposit the equivalent of 4 000 000,- (four million) Norwegian Kroner with the Bank of Norway for credit to the Account.
3. Costa Rica shall, when disbursements are to be made in order to finance the consultancy services mentioned in Art. I, in each case authorize Norway to draw on the account on its behalf.
4. Costa Rica shall inform the Bank of Norway of the titles of the offices and of the persons authorized to certify payments from the Account prior to the first disbursement.
5. Costa Rica shall inform Norway after each signing of contract and shall every six months, beginning from the date of the commencement of this Agreement, provide Norway with a statement of account which shall include appropriate documentation in respect of the use of the Fund.



Article III

Disputes - Entry into force - Termination

1. If any dispute arises relating to the implementation or interpretation of the present Agreement, there shall be mutual consultations between the Parties with a view to securing a successful realization of the purpose of the Agreement.
2. The present Agreement shall enter into force on the date of its signature, and shall remain valid until the date both Parties have fulfilled all obligations arising from it.
3. Notwithstanding the provisions of paragraph 2 of this article each Party shall be entitled to terminate the present Agreement by giving to the other Party three months notice in writing. Such termination shall not affect commitments undertaken by the Costa Rica Government or its agencies under consultancy contracts entered into prior to the receipt of the notice of termination.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by their respective Governments, have signed the present Agreement in two originals equally valid in the English and the Spanish languages.

Done at *San José* this *9th* day of *July* 1984.

For the Government of  
the Kingdom of Norway

For the Government of  
the Republic of Costa Rica



A G R E E M E N T

between

THE GOVERNMENT OF THE KINGDOM OF NORWAY

and

THE GOVERNMENT OF THE DOMINICAN REPUBLIC

concerning

the establishment of a consultancy fund for the financing of studies to be carried out in the Dominican Republic by Norwegian consultants.

The Government of the Kingdom of Norway (hereinafter referred to as "Norway") and the Government of the Dominican Republic (hereinafter referred to as "the Dominican Republic") desiring to cooperate in promoting the economic and social development of the Dominican Republic, have agreed as follows:

Article I

Scope

Norway shall, subject to Parliamentary appropriations provide a financial grant not exceeding NOK 3 000 000 (three million) which shall be utilized exclusively to cover the expenditures in connection with the establishment and operation of a consultancy fund (hereinafter referred to as "the Fund"). The purpose of the Fund shall be to finance consultancy services carried out by Norwegian consultancy firms in connection with projects within the general framework of cooperation between Norway and the Dominican Republic.



The Dominican Republic shall determine the manner in which the Fund is to be used and shall have responsibility for the negotiating and signing of contracts with Norwegian consultancy firms.

## Article II

### Disbursement and Reporting

1. The Technical Secretariat to the Presidency of the Dominican Republic (hereinafter referred to as "the Secretariat") shall open an account with the Bank of Norway to be known as "the Norway - Dominican Republic Consultancy Fund" - (hereinafter referred to as "the Account"). The Account shall be held in United States currency.
2. Norway shall deposit the equivalent of Nkr 3 000 000 (three million) with the Bank of Norway for credit to the Account.
3. The Secretariat may draw on the Account to finance the necessary expenditures connected with the consultancy services and pay in local currency those expenditures which the consultants must incur in the Dominican Republic.
4. Prior to the first disbursement, the Secretariat shall inform the Bank of Norway of the titles of the offices of the persons authorized to certify payments from the Account.
5. The Secretariat shall inform Norway after each signing of contract and shall every six months, beginning from the date of the commencement of this agreement, provide Norway with a statement of account which shall include appropriate documentation in respect of the use of the Fund.

## Article III

### Disputes - Entry into force - Termination

1. If any dispute arises relating to the implementation or interpretation of the present Agreement, there shall be mutual

consultations between the Parties with a view to securing a successful realization of the purpose of the agreement.

2. The present agreement shall enter into force on the date of its signature, and shall remain valid until the date both Parties have fulfilled all obligations arising from it.

3. Notwithstanding the provisions of paragraph 2 of this article each Party shall be entitled to terminate the present agreement by giving to the other Party three months' notice in writing.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed the present agreement in two originals in the English language.

Done at ..... this ..... day of ..... 1980

For the Government of  
the Kingdom of Norway

For the Government of  
the Dominican Republic





A G R E E M E N T

between

THE GOVERNMENT OF THE KINGDOM OF NORWAY

and

THE GOVERNMENT OF JAMAICA

concerning

the establishment of a consultancy fund for the financing of studies to be carried out in Jamaica by Norwegian consultants.

WHEREAS the Government of the Kingdom of Norway (hereinafter referred to as "Norway") and the Government of Jamaica (hereinafter referred to as "Jamaica") have entered into an agreement on Trade, Economic, Industrial and Technical Cooperation, dated 2 November 1977, and

WHEREAS Norway and Jamaica desire to expand their cooperation in order to realize the aims of the aforesaid agreement,

NOW THEREFORE Norway and Jamaica have agreed as follows:

Article I

Scope

Norway shall, subject to Parliamentary appropriations provide a financial grant not exceeding N. kr. 2.000.000 (two million) which shall be utilized exclusively to cover the expenditures in connection with the establishment and operation of a consultancy fund (hereinafter referred to as "the Fund"). The purpose of the Fund shall be to finance



consultancy services carried out by Norwegian consultancy firms in connection with projects within the general framework of cooperation between Norway and Jamaica.

Jamaica shall determine the manner in which the Fund is to be used and shall have responsibility for negotiating and signing of contracts with Norwegian consultancy firms.

## Article II

### Disbursement and Reporting

1. The Ministry of Finance and Planning of Jamaica (hereinafter referred to as "the Ministry") shall open an account at the Bank of Jamaica to be known as "the Norway-Jamaica Consultancy Fund - Government of Jamaica Account" (hereinafter referred to as "the Account"). The Account shall be held in United States currency.
2. Norway shall deposit the equivalent of N.kr. 2.000.000 (two million) with Federal Reserve Bank, New York, for the account of Bank of Jamaica for credit to the Account.
3. The Ministry may draw on the Account to finance the necessary expenditures connected with the consultancy services and may pay in local currency those expenditures which the consultants must incur in Jamaica.
4. The Bank of Jamaica shall disburse the funds in the Account to the extent requested by the Ministry and to the extent that payments chargeable to the Fund are justified by the Ministry to the satisfaction of the Bank.
5. Prior to the first disbursement by the Bank of Jamaica the Ministry shall inform the Bank of the titles of the offices of the persons authorized to certify payments from the Account.

6. The Ministry shall inform Norway after each signing of contract and shall every six months beginning from the date of the commencement of this agreement provide Norway with a statement of account which shall include appropriate documentation in respect of the use of the Fund.

### Article III

#### Disputes - Entry into force - Termination

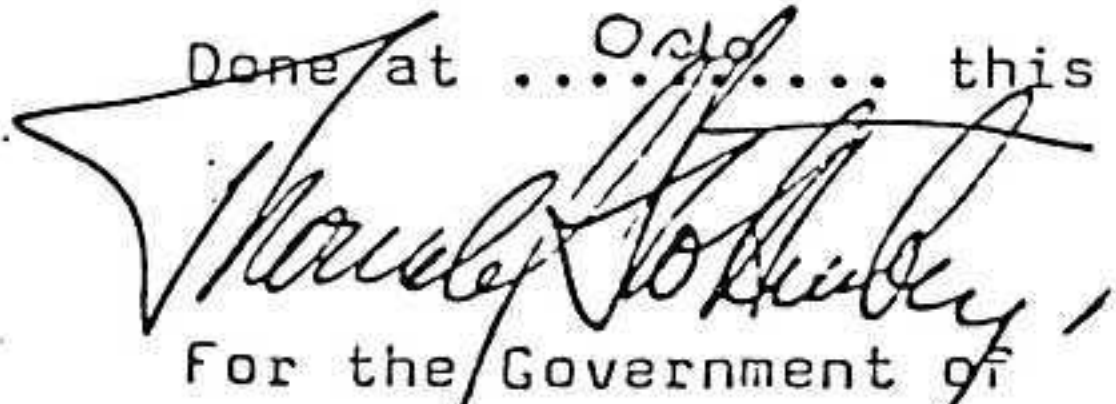
1. If any dispute arises relating to the implementation or interpretation of the present Agreement, there shall be mutual consultations between the Parties with a view to securing a successful realization of the purpose of the Agreement.


2. The present Agreement shall enter into force on the date of its signature, and shall remain valid until the date both Parties have fulfilled all obligations arising from it.

3. Notwithstanding the provisions of paragraph 2 of this article each Party shall be entitled to terminate the present Agreement by giving to the other Party three months notice in writing.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed the present Agreement in two originals in the English language.

Done at ... Oslo ... this ... 22<sup>nd</sup> ... day of June ... 1979.

  
For the Government of  
the Kingdom of Norway

  
For the Government of  
Jamaica





LIST OF MEETINGS DURING FIELD WORK

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Washington

9.6.1986

International Bank for Reconstruction and Development  
(The World Bank):

Meetings with the following loan officers:

1. Mr. Rogelio G. David - Nicaragua
2. Mr. Park - Costa Rica
3. Ms. Setsuko Oko - Dominican Republic
4. Ms. Connie Bernard - Jamaica

Inter-American Development Bank:

Mr. Gregorio Pokorny, Advisor, Operations Department  
Mr. Ruben Vaz da Costa, Operations Department  
Mr. Luís Velasco, Division Chief for Jamaica  
Mr. José Pinto, Senior Officer for Nicaragua  
Mr. Fernando Costa, Officer for Costa Rica  
Mr. Luís Rubio, Division Chief for Dominican Republic  
Mr. Asunción Aguila, Senior Officer for Dominican Republic



Nicaragua 11 June - 14 June 1986

1. Ministerio Cooperacion Externa (MCE):

Cra. Azucena Mendoza, Asistente Vice Ministro, Cooperación Externa, MCE  
Cro. Carlos A. Benavente, Director Cooperación Europa, MCE  
Cra. Amelia Ibarra, Especialista Noruega, MCE  
Cro. Eddy Torres, Administrador Proyectos, FNI  
Cra. Hilda Espinoza, Jefe Dpto. Estudios de Base, FNI  
Cro. Xavier López, Director del Ambiente, IRENA

2. Fondo Nicaraguense de Inversiones (FNI):

Ing. Julio Mayorga Portocarrero, Sub-Director Superior, FNI  
Cra. Hilda Espinoza, FNI  
Cro. Eddy Torres, FNI  
Cra. Amelia Ibarra, MCE

3. Secretariado de Planificacion y Presupuesto (SPP):

Cra. Saramelia Rosales, Directora de Inversiones, SPP  
Cra. Hilda Espinoza, FNI  
Cro. Eddy Torres, FNI  
Cra. Amelia Ibarra, MCE

4. Instituto Nicaraguense de la Pesca (INPESCA):

Cro. Luis Omar Arias, Director de Planificación, INPESCA  
Cra. Carla Roman, Directora Relaciones Internacionales, INPESCA  
Cra. Angela Rosa Rorras, Directora Inversiones, INPESCA  
Cro. Roger Araica Salas, Director TECNOPECA S.A.  
Cra. Hilda Espinoza, FNI  
Cra. Amelia Ibarra, MCE

5. Instituto Nicaraguense de Recursos Naturales y del Ambiente (IRENA):

Cro. Dennis Corrales, Sub-Director General, IRENA  
Cro. Xavier López, Director del Ambiente, IRENA  
Cra. Carla Boza, Programasion, IRENA  
Cro. Miguel Caceres, Director, IRENA  
Cro. Eddy Torres, FNI  
Cra. Hilda Espinoza, FNI  
Cra. Amelia Ibarra, MCE

6. Ministerio Cooperación Externa (MCE):

Cra. Maria Odett Collin, Directora de Politicas y Planificación, MCE  
Cra. Amelia Ibarra, MCE  
Cro. Eddy Torres, FNI  
Cra. Hilda Espinoza, FNI

7. PNUD (UNDP)

Mr. Carlos Felipe Martinez, Representante Residente Adjunto, PNUD  
Cra. Hilda Espinoza, FNI

8. BID (Inter-American Development Bank):

Mr. Pablo E. Linares, Representante, BID  
Cra. Hilda Espinoza, FNI

9. Embajada de Suecia/Consulado de Noruega:

Mr. Michael Frühling, Consul  
Mr. Per Fröberg, Agregado para la Cooperación

10. Fondo Nicaraguense de Inversiones (FNI):

Ing. Julio Mayorga Portocarrero, Sub-Director Superior, FNI  
Cro. Eddy Torres, FNI  
Cra. Hilda Espinoza, FNI  
Cra. Amelia Ibarra, MCE

11. Ministerio Cooperación Externa (MCE):

Cra. Amelia Ibarra, MCE  
Cra. Hilda Espinoza, FNI

12. Centro Nicaraguense de Información Tecnológica (Cenit), FNI:

Cra. Rosa M. Tablada, Directora, Cenit/FNI  
Cro. Eddy Torres, FNI  
Cra. Hilda Espinoza, FNI

13. Secretario de Planificación y Presupuesto (SPP)

Cra. Saramelia Rosales, Directora de Inversiones, SPP  
Cra. Hilda Espinoza, FNI  
Cra. Amelia Ibarra, MCE

14. Ministerio Cooperación Externa (MCE):

Cro. Jose Angel Buitrago, Vice Ministro, MCE  
Cra. Nadine Cardenal, Directora General Gestión Bilateral, MCE  
Cro. Carlos A. Benavente, Director Cooperación Europa, MCE  
Cra. Amelia Ibarra, Especialista Noruega, MCE  
Cra. Hilda Espinoza, FNI



Costa Rica 16 June - 20 June 1986

All meetings, except meetings 1, 2, 10, 11, 12, 13 and 14 took place in Ministerio de Planificación Nacional y Política Económica (MIDEPLAN).

1. The Norwegian Embassy:

Mr. Jan Arvesen, Ambassador  
Mr. Jarl E. Berge, First Secretary

2. Ministerio de Relaciones Exteriores:

Lic. Carlos Rivera Bianchini, Viceministro de Relaciones Exteriores y Culto  
Sra. Francis Viquez de Solorzano, Directora General de Política Exterior  
Sr. Carlos Campos, Jefe Depto. de Europa Occidental  
Lic. Jose Antonio Garcia Murillo, Subdirector Dirección de Cooperación Internacional para el Desarrollo (DCID), MIDEPLAN  
Srta. Guiselle Gonzalez, Oficial de Proyectos, DCID, MIDEPLAN

3. MIDEPLAN:

Lic. José Ramón Chavarría, Director Cooperación Internacional para el Desarrollo (DCID), MIDEPLAN

4. CODESA/FERTICA/ICE/SEPSI:

Lic. Gerardo Loria Salazar, Director Técnico, Corporación Costarricense de Desarrollo (CODESA)  
Ing. Eduardo Gutierrez, Gerente General a.i., Fertilizantes de Centroamerica (FERTICA)  
Ing. Gerardo Alvarado, Director de Producción, FERTICA  
Ing. Manuel F. Corrales, Jefe Dirección de Planificación Eléctrica, Instituto Costarricense de Electricidad (ICE)  
Ing. María Teresa Elizondo, Secretaria Ejecutiva, Secretaría Ejecutiva de Planificación Industrial (SEPSI)  
Ing. José María Blanco Rodríguez, Jefe Dpto. de Infraestructura, MIDEPLAN  
Arq. César Díaz, Dpto. de Infraestructura, MIDEPLAN  
Lic. José Ramón Chavarría, DCID, MIDEPLAN  
Lic. José Antonio García Murillo, DCID, MIDEPLAN  
Srta. Guiselle Gonzalez, DCID, MIDEPLAN

5. MIDEPLAN:

Lic. José Ramón Chavarría, DCID, MIDEPLAN

6. MAG/CIMAR:

Ing. Eduardo Bravo, Director General de Pesca, Ministerio de Agricultura y Ganadería (MAG)  
Dr. Manuel María Murillo, Director General, Universidad de Costa Rica, Centro de Investigación en Ciencias del Mar y Limnología (CIMAR)

Sra. Alia García, Depto. de Sector Agropecuario, MIDEPLAN  
Lic. José Ramón Chavarría, DCID, MIDEPLAN  
Ing. Jorge Bravo Stahal, DCID, MIDEPLAN  
Srta. Guiselle Gonzalez, DCID, MIDEPLAN

7. DSE/ICE:

Ing. Allan Chin-Wo Cruz, Area de Desarrollo, Dirección Sectorial de Energía (DSE)  
Ing. Manuel F. Corrales, Jefe Dirección Planificación Eléctrica, ICE  
Ing. José María Blanco Rodríguez, Jefe Dpto. de Infraestructura, MIDEPLAN  
Lic. José Ramón Chavarría, DCID, MIDEPLAN  
Srta. Guiselle Gonzalez, DCID, MIDEPLAN

8. MOPT:

Ing. Enrique Marin Arce, Director General de Transporte Marítimo, Ministerio Obras Públicas y Transportes (MOPT)  
Ms. Patricia Robinson, Transporte Marítimo, MOPT  
Lic. José Ramón Chavarría, DCID, MIDEPLAN  
Srta. Guiselle Gonzalez, DCID, MIDEPLAN

9. MIDEPLAN:

Lic. José Ramón Chavarría, DCID, MIDEPLAN

10. Ministerio de Energía y Minas:

Dr. Alvaro Umana, Ministro, Ministerio de Energía y Minas  
Ing. José María Blanco Rodríguez, MIDEPLAN  
Lic. José Ramón Chavarría, DCID, MIDEPLAN

11. ICE:

Ing. Teófilo de la Torre, Presidente Ejecutivo, ICE  
Ing. Manuel F. Corrales, Jefe de Dirección Planificación Eléctrica, ICE  
Srta. Guiselle Gonzalez, DCID, MIDEPLAN

12. ICE:

Ing. Manuel F. Corrales, Jefe de Dirección Planificación Eléctrica, ICE  
Srta. Guiselle Gonzales, DCID, MIDEPLAN

13. PNUD (UNDP):

Sra. Julieta Halley, Representante Residente Ajunta, PNUD  
Srta. Guiselle Gonzalez, DCID, MIDEPLAN

14. BID (Inter-American Development Bank).

Sr. Francis B. O'Hara, Especialista Sectorial, BID  
Sr. Rodolfo O. Lewy, Subrepresentante Encargado a.i., BID  
Srta. Guiselle Gonzalez, DCID, MIDEPLAN



15. MIDEPLAN:

Lic. José Ramón Chavarría, DCID, MIDEPLAN

16. MIDEPLAN:

Dr. Ottón Solís Fallas, Ministro de MIDEPLAN

Lic. Sandra Píszk, Viceministra de MIDEPLAN

Lic. José Ramón Chavarría, DCID, MIDEPLAN

Srta. Guiselle Gonzalez, DCID, MIDEPLAN

17. The Norwegian Embassy:

Mr. Jan Arvesen, Ambassador

Mr. Jarl E. Berge, First Secretary

Dominican Republic 23 June - 26 June 1986

All meetings, except meetings 9 and 10 took place in the STP building.

1. Oficina Nacional de Planificación (ONAPLAN):

Lic. Teresa Frías de Roedán, Chief, Technical International Cooperation Office, ONAPLAN

Lic. Nicolás E. Cruz T., Sub-Chief, Technical International Cooperation Office, ONAPLAN

Mr. Horacio Sansean, UN expert, ONAPLAN

Ms. Alicia de Hasbun, Secretary to UN expert, ONAPLAN

2. Corporación Dominicana de Electricidad (CDE):

Mr. Marleto, Chief Executive Director, CDE

Mr. Fernando Luciano, Director, Development, CDE

Lic. Teresa Frías de Roedán, ONAPLAN

Lic. Nicolás E. Cruz T., ONAPLAN

3. Secretariado Técnico de la Presidencia (STP):

Mr. Luis Ml. Piantini M., Sub-Secretario Técnico, STP

Lic. Teresa Frías de Roedán, ONAPLAN

Lic. Nicolás E. Cruz T., ONAPLAN

4. Fondo Dominicano de Preinversión (FONDOPREI):

Lic. Rafael E. Alcántara G., Executive Director, FONDOPREI

Lic. Pablo Cabrera, Chief of the Financing Department, FONDOPREI

Ing. Teresa Jiménez de B., Chief of the Division of Transportation and Infrastructure, FONDOPREI

Lic. Teresa Frías de Roedán, ONAPLAN

Lic. Nicolás E. Cruz T., ONAPLAN

5. Corporación Dominicana de Electricidad (CDE):

Mr. Marleto, Chief Executive Director, CDE

Mr. Fernando Luciano, Director Development, CDE

Lic. Pablo Cabrera, FONDOPREI

Ing. Teresa Jiménez de B., FONDOPREI

Lic. Nicolás E. Cruz T., ONAPLAN

6. Fondo Dominicano de Preinversión (FONDOPREI):

Lic. Pablo Cabrera, FONDOPREI

Ing. Teresa Jiménez de B., FONDOPREI

Lic. Aurora Perez Ceballos, FONDOPREI

Lic. Nicolás E. Cruz T., ONAPLAN

7. Direccion General de Minería:

Ing. Fidel Calcagno A., Project Department, Minería

Lic. Teresa Frías de Roedán, ONAPLAN

Lic. Nicolás E. Cruz T., ONAPLAN

Ing. Teresa Jiménez de B., FONDOPREI



8. Oficina Nacional de Planificación (ONAPLAN):

Lic. Teresa Frías de Roedán, ONAPLAN  
Lic. Nicolás E. Cruz T., ONAPLAN

9. PNUD (UNDP):

Ms. Magda Moyano, Dep. Res. Rep., UNDP  
Ms. Carmen Gomez, Programme Officer, UNDP  
Lic. Nicolás E. Cruz T., ONAPLAN  
Lic. Teresa Frías de Roedán, ONAPLAN

10. BID (Inter-American Development Bank):

Mr. Luis Buitrago, Representative, IDB  
Lic. Nicolás E. Cruz T., ONAPLAN  
Lic. Teresa Frías de Roedán, ONAPLAN

11. Oficina Nacional de Planificación (ONAPLAN):

Lic. Teresa Frías de Roedán, ONAPLAN  
Lic. Nicolás E. Cruz T., ONAPLAN  
Mr. Haracio Sanseau, UN expert, ONAPLAN  
Ms. Alicia de Hasbun, Secretary to UN expert, ONAPLAN

12. Secretariado Técnico de la Presidencia (STP):

Mr. Luis Ml. Piantini M., Vice Minister, STP  
Lic. Rafael E. Alcántara G., Executive Director, FONDOPREI  
Ing. Teresa Jiménez de B., FONDOPREI  
Lic. Teresa Frías de Roedán, ONAPLAN  
Mr. Haracio Sanseau, UN expert, ONAPLAN  
Ms. Alicia de Hasbun, Secretary to UN expert, ONAPLAN

Jamaica 30 June - 3 July 1986

All meetings except meetings 7 and 8 took place at the Planning Institute of Jamaica (PIOJ).

1. PIOJ/Ministry of Foreign Affairs

Ms. Marjorie Henriques, Director, Technical Assistance Division, PIOJ

Ms. Dorothy Jones, Bilateral Section, Technical Assistance Division, PIOJ

Ms. Myrtle Yong, Norwegian Desk, Technical Assistance Division, PIOJ

Ms. Cordell Y. Wilson, Administrator, Ministry of Foreign Affairs

Ms. Ann Scott, Administrator, Ministry of Foreign Affairs

2. Jamaica Maritime Training Institute:

Capt. Gerhard Langeland, Director, Jamaica Maritime Trust

Ms. Sonia Martin, Administrator ("Norwegian Desk"), Ministry of Public Utilities & Transport

Mr. Ruby McCreath, Director of Marine Service, Ministry of Public Utilities & Transport

Mr. Neville A.L. Brown, Ministry of Public Utilities & Transport

Ms. Dorothy Jones, PIOJ

Ms. Myrtle Young, PIOJ

Ms. Ann Scott, Ministry of Foreign Affairs

3. Air Jamaica Ltd.:

Mr. Pat Simmons, Company Secretary, Air Jamaica Ltd.

Mr. Noel Rennie, Vice President, Administration, Air Jamaica Ltd.

Ms. Sonia Martin, Administrator ("Norwegian Desk"), Ministry of Public Utilities & Transport

Ms. Dorothy Jones, PIOJ

Ms. Myrtle Young, PIOJ

Ms. Ann Scott, Ministry of Foreign Affairs

4. Jamaica Banana Producers Association Ltd.:

Mr. Abrey French, Manager/Company Secretary, Jamaica Banana Producers Association Ltd.

Ms. Dorothy Jones, PIOJ

Ms. Myrtle Young, PIOJ

Ms. Ann Scott, Ministry of Foreign Affairs

5. Port Authority of Jamaica:

Mr. Byron Lewis, Director, Research and Special Projects, Port Authority

Mr. Lucien M. Rattray, General Manager, Port Authority

Ms. Dorothy Jones, PIOJ

Ms. Myrtle Young, PIOJ

Ms. Ann Scott, Ministry of Foreign Affairs



6. Petroleum Corporation of Jamaica:

Mr. Raymond M. Wright, Director/Exploration, Petroleum Corporation of Jamaica

Ms. Dorothy Jones, PIOJ

Ms. Myrtle Young, PIOJ

Ms. Ann Scott, Ministry of Foreign Affairs

7. UNDP:

Ms. Brenda McSweeney, Res. Rep., UNDP

Ms. Kathey Roberts, Programme Officer, UNDP

8. Inter-American Development Bank:

Mr. Alberto Quevedo, Representative

Mr. Francisco Navas, Deputy Representative

9. Caribbean Cement Company:

Mr. Compton Rodney, Chief Executive, Caribbean Cement Company

Ms. Dorothy Jones, PIOJ

Ms. Myrtle Young, PIOJ

Ms. Ann Scott, Ministry of Foreign Affairs

10. Antillean Food Processors Ltd.:

Mr. Courtney F. Gordon, Receivers Manager, Antillean Food Processors Ltd.

Ms. Dorothy Jones, PIOJ

Ms. Myrtle Young, PIOJ

Ms. Ann Scott, Ministry of Foreign Affairs

11. Jamaica Merchant Marine Ltd.:

Mr. Grantley Stephenson, Jamaica Merchant Marine Ltd.

Ms. Dorothy Jones, PIOJ

Ms. Myrtle Young, PIOJ

Ms. Ann Scott, Ministry of Foreign Affairs

12. Jamaica Bureau of Standards:

Mr. John Milne, Project Coordinator, Jamaica Bureau of Standards

Mr. Roosevelt DaCosta, Director of Energy, Jamaica Bureau of Standards

Ms. Dorothy Jones, PIOJ

Ms. Myrtle Young, PIOJ

Ms. Ann Scott, Ministry of Foreign Affairs

13. Natural Resources Conservation Department:

Mr. Paul Carrol, Natural Resources Conservation Department

Ms. Dorothy Jones, PIOJ

Ms. Myrtle Young, PIOJ

Ms. Ann Scott, Ministry of Foreign Affairs

14. Planning Institute of Jamaica:

Ms. Marjorie Henriques, Director, Technical Assistance Division,  
PIOJ

Ms. Dorothy Jones, Technical Assistance Division, PIOJ

Ms. Myrtle Young, Technical Assistance Division, PIOJ

Ms. Ann Scott, Ministry of Foreign Affairs

15 and 16. Planning Institute of Jamaica:

Ms. Marjorie Henriques, Director, Technical Assistance Division,  
PIOJ

Ms. Dorothy Jones, Technical Assistance Division, PIOJ

Ms. Myrtle Young, Technical Assistance Division, PIOJ





NORWEGIAN GOVERNMENT PERSONNEL AND CONSULTANTS INTERVIEWED

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Ministry of Development Cooperation:

Ms. Bjørg Leite, Deputy Director, Planning Department  
Mr. Sven Smaalund, Head of Division, Planning Department  
Ms. Frøydis Aarbakke, Senior Officer, Division for Shipping and Industry, Project Department, NORAD

Ministry of Foreign Affairs:

Mr. Frode Nielsen, Ambassador to Jamaica and the Dominican Republic  
Mr. Jan Arvesen, Ambassador to Costa Rica and Nicaragua

Ministry of Trade and Shipping:

Mr. Johan B. Fagernæs, Deputy Director

The Export Council of Norway:

Mr. Kjell Grønn, Regional Manager

The Bank of Norway:

Mr. Robert Andersen, Assistant Head of Division, Foreign Exchange Department  
Ms. Edith Høsøien, Senior Officer, Foreign Exchange Department  
Mr. Kristian Langberg, Officer, Book keeping Department

Norconsult International A/S:

Mr. Kristofer Storruste, Vice President  
Mr. Roar Gjestvang, Senior Electrical Engineer  
Mr. Sverre J. Christiansen, Assistant Vice President

Norplan A/S:

Mr. Jan Pedersen, Project Manager

Norsk Hydro A/S:

Mr. Knut Christiansen, Senior Engineer

Shipdeco A/S:

Mr. Gudmund Rognstad, Assistant Director

Hallbjørn Hareide A/S:

Mr. Hallbjørn Hareide, Director

ORGUT A/S:

Mr. Tor Skaarud





CONSULTANCY FIRMS SUBMITTING QUESTIONNAIRE

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Nicaragua:

- Hallbjørn Hareide A/S
- Orgut A/S

Costa Rica:

- Det norske Veritas
- Norconsult A/S
- Norse-Inter-Atlantic Co. Ltd. A/S (NIACO GROUP)

Dominican Republic:

- Borregaard Engineering (BSE A/S)
- Klaveness Chartering A/S
- Norconsult A/S
- Norplan A/S
- Orgut A/S
- Shipdeco A/S

Jamaica:

- Christian Haaland A/S
- Geoteam A/S
- IKU A/S
- Norcem A/S
- Scandinavian Aviation Consultants A/S (Scanavia)
- Shipdeco A/S
- Statistisk Sentralbyrå





Land:

1. Norsk leverandør (konsulent):
2. Kontaktperson og/eller prosjektansvarlig:
3. Prosjekt:
- 4.1 Lokal avtalepartner:
- 4.2 Kontaktperson og/eller prosjektansvarlig:
- 5.1 Lokal oppdragsgiver dersom denne er en annen enn avtalepartner:
- 5.2 Kontaktperson og/eller prosjektansvarlig:
6. Størrelse kontraktssum:
7. Størrelse på lokale kostnader og andel finansiert utenom fondet:
8. Kontraktssummen utbetalt dato(er):
9. Dato kontrakt inngått:
10. Dato feltarbeid påbegynt:
11. Dato feltarbeid avsluttet:
12. Endelig rapport overlevert:
13. Hvordan oppsto prosjektet?
- 14.1 Fikk den norske konsulenten kontrakten i konkurranse med andre?
- 14.2 Hvilke andre?
15. Hadde den norske konsulenten kjennskap til fondsordningen før man viste interesse for prosjektet?
16. Hvordan mottok, oppfanget, innhentet den norske konsulent sin første informasjon om fondsordningene?
- 17.1 Har konsulenten hatt kontakt med norsk institusjon (både før og etter kontraksunderskrivelse)?
- 17.2 Hvilken norsk institusjon?
- 17.3 Beskriv kontakten
18. Beskriv samarbeidet med lokal oppdragsgiver/avtalepartner:
- 19.1 Har konsulenten hatt samarbeid med andre lokale institusjoner/selskaper enn oppdragsgiver (avtalepartner)? I så fall, hvilke?:



- 19.2 Før kontraktsundertegning:
- 19.3 Under prosjektgjennomføring:
- 20.1 Samarbeid med andre norske selskaper?
- 20.2 Hvilke?
- 21. Oppfatning om hva formålet med konsulentordningen er?
- 22. Kommentarer til ideen med ordningen:
- 23.1 Kommentarer til administrasjonen av ordningen:
- 23.2 Viktigste kontaktpunkt:
- 24. Kommentarer til gjennomføringen av studien:
- 25. Informasjon og veiledning underveis, kommentarer:
- 26. Utbetalingsrutinene, kommentarer:
- 27. Behov for utenlandske konsulentttjenester i landet, kommentarer:
- 28. Er det behov for ytterligere norske konsulentttjenester i landet?
- 29. På hvilke områder har norske konsulenter spesielle forutsetninger/fortrinn?
- 30. I hvilken grad er u-landet i stand til å nyttiggjøre seg konsulentens studie?
- 31. I hvilken grad er studien blitt fulgt opp lokalt?
- 32. Har det vært noen nytteverdi for norsk leverandør og/eller andre norske kommersielle interesser?
- 33. Hva med oppfølging fra norsk side?
- 34. Ytterligere kommentarer:





