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**TECHNICAL COOPERATION
IN
TRANSITION**

**Review of Norwegian Policy in Light
of DAC Principles on
Technical Cooperation**

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June 1994

PREFACE

The report "Technical Cooperation in Transition" is prepared for the Royal Norwegian Ministry of Foreign Affairs as part of their preparation for the High Level Seminar on technical cooperation which will be arranged by OECD/DAC in cooperation with the World Bank and UNDP in June 1994.

The report is divided into two sections. Section I consists of a review of Norwegian policy on technical cooperation within its international context. Section II pinpoints key issues which, in our opinion, should be thoroughly examined in the future development of technical cooperation.

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

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APPENDIX

ACRONYMS AND ABBREVIATIONS

ACP	African Caribbean Pacific States
BOT	Botswana
DA	Development Assistance
DAC	Development Assistance Committee, OECD
DANIDA	Danish International Development Assistance
EDF	European Development Fund
EPTA	UN Funds for Technical Cooperation
EU	European Union
GDP	Gross Domestic Product
IBRD	International Bank for Reconstruction and Development
IDA	International Development Agency
IDM	Institute of Development Management
MOS	Mosambique
NaTCAP	National Technical Cooperation and Assessments and Programmes ¹
NAM	Namibia
NDP	National Development Plan
NORAD	Norwegian Agency for Development Cooperation
NOK	Norwegian Kroner
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
RAD	Remote Area Dwellers
SADCC	Southern African Development Conference
SIDA	Swedish International Development Authority
SPA	Special Programme of Africa, the World Bank
TA	Technical Assistance
TAN	Tanzania
TC	Technical Cooperation
TCPFP	Technical Cooperation Policy Framework Papers
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children Fund
USD	United States Dollars
ZAM	Zambia
ZIM	Zimbabwe

Definition: See page 98-100.

1. EXECUTIVE SUMMARY

Technical cooperation has been part of the international aid agenda for more than forty years. After World War II and in the period of decolonization, the lack of professional skills in the previous colonies was seen as the main barrier to development. The challenges were met by a two-fold response from the North; the provision of financial assistance in order to meet the huge need for investment; and technical cooperation as an indispensable instrument in raising the level of competence.

In the early years technical cooperation was mainly provided in the form of foreign experts serving in public administration and the civilian sector in developing countries. The provision of experts was considered a temporary solution. At the same time substantial efforts were initiated in the educational field at all levels. Scholarships to Northern institutions of higher education were put at the disposal of students from developing countries.

The strategy of that time was as follows: As the level of administrative and technical skills was raised through education, the intention was to replace the foreign experts by local manpower. In order to accelerate the replacement rate the expert-counterpart model was introduced. On-tie-job training was organized as a close cooperation between the foreign expert and a local counterpart. The intention was to transfer skills in practice so that local manpower was enabled to take sole responsibility for the positions concerned after the departure of the expert. Gradually, the number of experts should be reduced to zero.

The strategy failed. The achievements were unsatisfactory, particularly in an African context. Replacement has to some extent taken place, but not to the degree necessary to obtain self-reliance. Most countries in Africa are still dependent on foreign expertise to carry out core functions in public administration which are critical in the context of self-reliance. The image of poor performance in technical cooperation was revealed through several evaluations which were undertaken during the 1980s.

At present, there is a widespread sentiment that technical cooperation is more often misused than well used. Technical cooperation has not produced the national capacity necessary for self-reliance. There is a strong degree of

consensus in the international donor community on the need to convert technical cooperation into an effective instrument especially in the field of institutional development. The DAC High Level Seminar in June 1994 will act as a catalyst in the search for new solutions.

This report is conducted as part of the preparation for Norwegian participation in the High Level Seminar. The report is divided into two sections.

Section I consists of a review of Norwegian technical cooperation in an historical perspective and of the present policy with regard to consensus with or divergence from the main stream of policy on technical cooperation in the international aid society. Norwegian policy on technical cooperation is furthermore reviewed in a comparative perspective comprising a brief description of the policy on technical cooperation in multilateral institutions like the World Bank and UNDP. The comparison also includes a brief description of the policy on technical cooperation from the Nordic countries and the European Union.

Section II pinpoints selected issues which will be outstanding items to be addressed in the future debate on technical cooperation. As a point of departure for this section, a newly published book by Elliot Berg "Rethinking Technical Cooperation - Reforms for Capacity Building in Africa" is briefly presented.

How To Define Technical Cooperation.

The term "technical cooperation" is used in the context of its definition by the OECD. "Technical Co-operation (TC) encompasses the whole range of assistance activities designed to improve the level of skills, knowledge, technical know-how, and productive attitudes of the population in a developing country. A particularly important objective of technical cooperation is institutional development, i.e. to contribute to the strengthening and improved functioning of the many institutions essential for sustainable development through the effective management and operation of an economy and of society more generally."

According to OECD/DAC the main instruments of technical cooperation to-day are as follows:

- Providing access to training.

- The provision of expatriates and national experts.
- Policy and technical advice.
- Assistance in preparation of surveys and studies.
- Contributions to science, research and technological development.

The Present Value of Technical Cooperation.

At present, the value of technical cooperation amounts to around USD 20 billion annually. Bilateral sources represent the major share of this. In 1990, USD 3.5 billion was spent on technical cooperation in Sub-Saharan Africa.

Norwegian technical cooperation expenditures amounted to USD 138 million in 1992. Sub-Saharan Africa is the main recipient of Norwegian technical cooperation.

Historical Perspective.

In the early years of decolonization, the colonial powers were the main suppliers of technical cooperation. During the 1960s, the multilateral institutions and non-colonial bilateral donors including Norway, entered the arena. The amount of technical cooperation expenditures increased considerably during the 1970s and 1980s. The main forms of technical cooperation were personnel, training and equipment. The personnel component in terms of experts, teachers and volunteers represented the major share. The expert-counterpart model was entrusted with the task of enhancing on-the-job training.

The Main Barriers to Effectiveness.

Technical cooperation aiming at institutional development has proved least effective because it comprises the most profound challenges. The most important and the commonly shared challenges are as follows:

- Slow progress in creating a good policy environment and well-functioning institutions which can implement policies, programmes and projects in a cost-effective and sustainable manner.
- Supply-driven nature of technical cooperation.
- Limited role played by the recipient in the management of the technical cooperation.
- Inadequate planning and management of technical cooperation projects.

- Lack of careful and realistic definitions of objectives.
- Over-emphasis on project implementation requirements.
- High unit costs of technical cooperation in general, and over-reliance on high cost expatriate expertise.
- Inadequate attention to utilizing local expertise.
- Lack of coordination among donors due to competition.
- Long-term resident experts are used for support of operations, not capacity-building.
- Training programmes related to technical cooperation are ad hoc and not based on systematic assessment of manpower needed.

Past performance of Norwegian technical cooperation corresponds with the main barriers presented above. However, a change in policy occurred during the 1980s. The concept of recipient responsibility came much more into focus than before. The awareness of the need for a programme rather than a project-by-project approach to meet the challenge of improved coordination and adherence to the development plans of the recipient countries concerned was raised. In many ways Norway was in the forefront of the new principles on technical cooperation which were endorsed by the OECD/DAC in 1991.

The DAC Principles on Technical Cooperation.

In 1991, OECD/DAC endorsed a set of new principles to guide future technical cooperation in a more effective way. The main element in this change is increased emphasis on capacity-building in order to obtain self-reliance in the future. Increased participation between donors and recipients on equal terms is emphasized. Strengthening institutional capacity in all sectors of society is considered essential in the new approach. Cooperation between donor and recipient institutions in the form of twinning arrangements is considered as a major new solution to the problems of technical cooperation.

Norwegian Policy in Congruity with the DAC Principles.

Norwegian policy on technical cooperation has changed in accordance with the DAC Principles. The change is clearly visible in the new policy guidelines from the Ministry of Foreign Affairs and in the new strategy of NORAD. The implementation of the new profile on technical cooperation in Norwegian partner countries in Africa differs in accordance with the political, economic and institutional environment.

The need for technical cooperation in most of the Norwegian partner countries in Sub-Saharan Africa is substantial. The absorptive capacity of technical cooperation varies between partner countries. The differences in the amount of technical cooperation and the transition into institutional cooperation in the aid strategies of Botswana and Tanzania, indicate the need for a flexible approach dependent on the setting in which technical cooperation is to take place.

In accordance with the DAC Principles, the following conclusions can be drawn on the basis of the review of Norwegian policy.

- The objectives of self-reliance are emphasized.
- There is a strong emphasis on recipient responsibility and capacity-building.
- The participatory approach is well integrated at policy level.
- Local conditions in terms of political and economical conditions are taken into account. More attention should be given to the assessment of institutional framework.
- Adherence to the development plans of the recipients is satisfactory. The programme approach, contrary to a project-by-project approach, has been implemented to a large extent in all partner countries.
- A sectoral approach, based on activities where Norway has a comparative advantage, is included in the policy guidelines.
- Norway is supporting efforts to improve coordination, and priority is being given to activities to improve the recipient's capacity to coordinate.
- The emphasis in the DAC Principles on the NaTCAP-process of UNDP as an instrument in institutional development is not integrated in policy at a general level or in the case of Tanzania.
- Institutional development in the public, private and civil society is emphasized.
- Human resource development as a prerequisite for technical cooperation is given priority.
- At country level, the new principles are well integrated in the co-operation with Botswana. In Tanzania, Norwegian performance has been poor with regard to transfer of managerial authority, replacement and use of local resources. The new strategy, however, incorporates the new principles, though to a lesser degree than in the case of Botswana.

Technical Cooperation from the Multilateral Institutions.

The World Bank and UNDP are the main multilateral institutions in the field of technical cooperation. The review of the policy of the World Bank is derived from the "Handbook on Technical Assistance" from 1993. Two main features are prominent. The World Bank emphasises the need for technical assistance to institutional building and the need for increased ownership on the part of the recipient countries. The World Bank provides technical assistance in the form of loans.

Technical cooperation from UNDP is provided as grants. UNDP works closely with the recipient countries in the planning and implementation of technical cooperation. An overall approach is introduced during National Technical Cooperation Assessments and Programmes (NaTCAPs). The NaTCAP process was launched in 1986 as an instrument to define the need for technical cooperation on an overall basis in the countries concerned. NaTCAPs are intended to improve the coordination of technical cooperation support.

A Comparative Perspective.

The brief review of policy on technical cooperation from the Nordic countries and the European Union reveals consensus. The European Union however differs from the Nordic countries with regard to areas of support. Technical cooperation in the area of industry and trade is more important in the cooperation with the ACP countries under the Lome Convention than in the strategies on development cooperation in the Nordic countries.

Key Issues to be Addressed in the Future Debate.

On the basis of the international literature and Norwegian policy on technical cooperation, the following key issues should be looked at closely in the future.

The first is the question of how to address the need for increased *ownership and commitment* by the recipient on transfer of managerial authority, and at the same time take account of the donor's need for control of aid resources.

The second is *institutional cooperation* as the new solution to institutional development and capacity-building. There is a need to be aware of new barriers to effectiveness which could arise in the use of this instrument. Institutional

cooperation increases the degree of *tied aid*. The freedom of the recipient to untie the package of technical cooperation will be reduced. The problem of *the vested interests* of Norwegian institutions should be addressed in an adequate manner. Furthermore, activation of institutions in Norway to take part in twinning arrangements will increase the need for training on local conditions. The ability to monitor the work performed by Norwegian institutions will be reduced. Institution-building will also require the building up of new skills within NORAD.

The third is that the traditional *technical assistance personnel category* should not be dismissed immediately. There will still be a need for this type of personnel, especially in the field of engineering-type technical cooperation and in cases where gap-filling is still needed and given priority by the recipient.

The fourth is that institution-building and cooperation in *civil society* is thought to have a positive effect in the move towards democracy and participatory development. NGOs are supposed to play an important role in this connection. At present their share of technical cooperation amounts to around 10 per cent of the total USD 20 billion. Their performance should be evaluated in terms of the new principles, especially in the field of cooperation with people's organizations and NGOs in the recipient country.

Finally the question of *coordination* has been upgraded by all parties. Coordination takes place at different levels. Coordination taking place through the World Bank's Consultative Group Meetings and UNDP Round Table Conferences is necessary but far from sufficient. Local aid coordination should be strengthened. The recipient Government should take full responsibility for coordinating the donor community present in their country.

2. INTRODUCTION

2.1 Background

At present, there is a widespread sentiment that technical cooperation is more often misused than well used, and frequently counterproductive.

Technical cooperation has been part of the international aid agenda since the beginning of development cooperation. In combination with capital assistance, it was regarded as an indispensable instrument in bringing about development after decolonization. At that point in time, the newly independent states lacked a human resource base which could manage the development process. The lack of competence was prevalent in all areas, both technical and administrative. Furthermore, the structures left behind were not representative of the indigenous culture.

Technical cooperation was designed to "improve the level of skills, knowledge, technical know-how and productive aptitudes of the population" in developing countries. It encompasses a whole range of activities.

According to OECD/DAC, the main instruments of technical cooperation are as follows:

- Providing access to training.
- The provision of expatriates and national experts.
- Policy and technical advice.
- Assistance in preparation of surveys and studies.
- Contributions to science, research and technological development.

At present, technical cooperation is in transition. A growing awareness of ineffectiveness in technical cooperation, particularly in an African context, is the reason for this change. A broad range of evaluations during the past decade has revealed inefficiency as the dominant feature. The results are in sharp contrast to past hopes. Technical cooperation has not brought about the national capacity necessary to obtain self-reliance and independence of aid. Study after

study has revealed an image of the ineffectiveness of technical cooperation, so that it has now become common knowledge.

The impetus for change and improved efficiency is accentuated as new international challenges emerge. Financial restraints have limited the total availability of aid resources. At the same time, developments in Eastern Europe and the former Soviet Union have added new actors to the list of recipients in the spheres of financial aid and technical cooperation. The move towards a market economy has promoted a stronger recognition of private sector development and "trade not aid" by the recipients. The need for technical cooperation is being extended to new areas with a growing interest in institutional development to obtain self-reliance in the long run.

The challenge to be faced now is how to overcome the obstacles and how to change the profound nature of the relation between donor and recipient. International debate has focused on Africa, although comparisons have been made with countries where development has succeeded.

In 1991, the OECD responded to poor performance in the past by endorsing new principles to guide technical cooperation in the future.¹ The DAC Principles address patterns of behaviour by the donors and the recipients. A major theme is the awareness of the ineffectiveness of resident experts and a change towards reliance on institutional development through cooperation between institutions.

The international donor community will address the new concept of technical cooperation in a DAC/UNDP/WORLD BANK High Level Seminar in June 1994. The principal purpose is to seek to improve the effectiveness of technical cooperation in the 1990s. The point of departure will be the political and practical impetus to the implementation of the DAC Principles for New Orientations in Technical Cooperation, endorsed by the Ministers in 1991.

The objectives of the High Level Seminar are presented as follows:

- "Assess the implications of the changing international agenda for technical cooperation;

OECD: "DAC Principles" op.cit.

- Evaluate the progress made by donors and the impediments they face in implementation; and
- Launch a process towards the development of a clear and monitorable programme of action to implement the DAC Principles and improve the effectiveness of technical cooperation in the context of evolving priorities and highly differentiated requirements of recipients."¹

The key issues to be tackled are the reinforcement of local ownership of the development process and the building up of national capacity to generate and sustain the development process.

2.2 Purpose of the Report

This report is prepared as part of the preparation for the DAC High Level Seminar. The report is divided in two sections. Section I covers a review of Norwegian policy on technical cooperation within its international context. Section II pinpoints key issues which in our opinion should be thoroughly examined in the future debate.

In accordance with the Terms of Reference, the main purpose is to review Norwegian policy for technical cooperation in the light of changing international circumstances, with the DAC Principles as the basic point of departure.

The review of Norwegian policy on technical cooperation is addressed in the following order:

- Description of the main trends in figures and results in an international context.
- Assessment of the present state of affairs at policy level and at country level in the case of Tanzania and Botswana.
- A comparative context encompassing policy guidelines for technical cooperation in Denmark, Sweden, Finland and the European Union.

The review of Norwegian technical cooperation will be undertaken in relation to the need for technical cooperation by Norway's main cooperating partner countries in Africa. Technical cooperation from the multilateral institutions, the

The OECD/DAC: "DAC/UNDP/World Bank Seminar. Letter from the chairman". November 4, 1993.

World Bank and UNDP, is described in order to reveal consensus or divergence.

A final task is to identify key issues which will be of special importance in the future debate. A newly published book by Elliot J. Berg "Rethinking Technical Cooperation. Reforms for Capacity Building in Africa" which assesses recent approaches from the donor community and puts forward new ideas, is used as basis for the assessment of key issues.

The logical framework of the Review can be presented as follows:

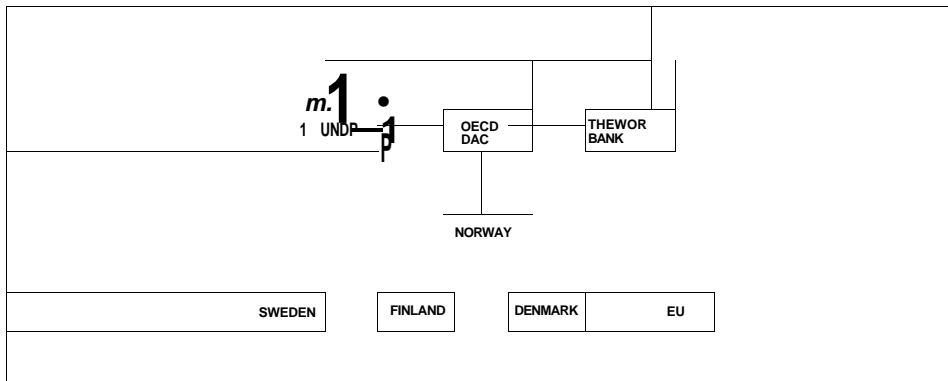


Figure 1: Analytic framework for the Review

2.3 Methodology

The review of Norwegian policy on technical cooperation and the need for technical cooperation in Norway's main cooperating partner countries in Africa has been performed on the basis of desk studies and informal interviews. The desk study consists of a review of recent policy documents at general level comprising the Government's White Paper to the Storting (Parliament) on Norway's Cooperation with Developing Countries (1992), NORAD's strategy for bilateral development cooperation, part I (1990) and II (1992, the Government's Budget for 1994 and Annual Reports on Norwegian Development Cooperation.

Statistical information from the OECD/DAC and NORAD is included in the description of the most important trends in the development of technical cooperation. The presentation of the historical development of Norwegian

technical cooperation consists of a review of policy documents from 1961 and down to present time.

In the case of Tanzania and Botswana, country strategies and programme documents form the basis for assessing Norwegian performance at country level. The case studies act as a supplement to the review of policy at a more general level.

The comparative reviews of Denmark, Sweden, Finland and the European Union as cases, comprise desk studies of recent policy documents and informal interviews with representatives at the headquarters in question.

The assessment of adherence to the DAC Principles is conducted on the basis of identification and selection of key issues which act as performance indicators. The DAC Principles as performance indicators for Norwegian policy on technical cooperation are presented in chapter 3.

2.4 Limitations

The review is limited to policy guidelines and does not include operational analysis of day-to-day operations of programmes and projects. Hence, it will not be possible to draw conclusions on Norwegian performance at operational level. Conclusions on the performance of Norwegian technical cooperation in practice would require an assessment of applied decision-making procedures at every stage of the project cycle with respect to the actual involvement of recipient representatives in design, implementation and evaluations.

At country policy level, the review is restricted to Tanzania and Botswana. This means that it will not be possible to draw precise conclusions on Norwegian performance at policy level in all partner countries.

2.5 Definitions

Technical cooperation is used in correspondence with the definition of the OECD. "Technical Co-operation (TC) encompasses the whole range of assistance activities designed to improve the level of skills, knowledge, technical know-how, and productive attitudes of the population in a developing country. A particularly important objective of technical cooperation is institutional development, i.e. to contribute to the strengthening and improved functioning of the many institutions essential for sustainable development through the effective management and operation of an economy and of society more generally."¹

Institutional Development is defined as the development of the whole spectrum of institutions including the values and procedural rules which govern or constrain individual or group behaviour.

Capacity-building and *institution building* are defined as presented in Figure 2.
2

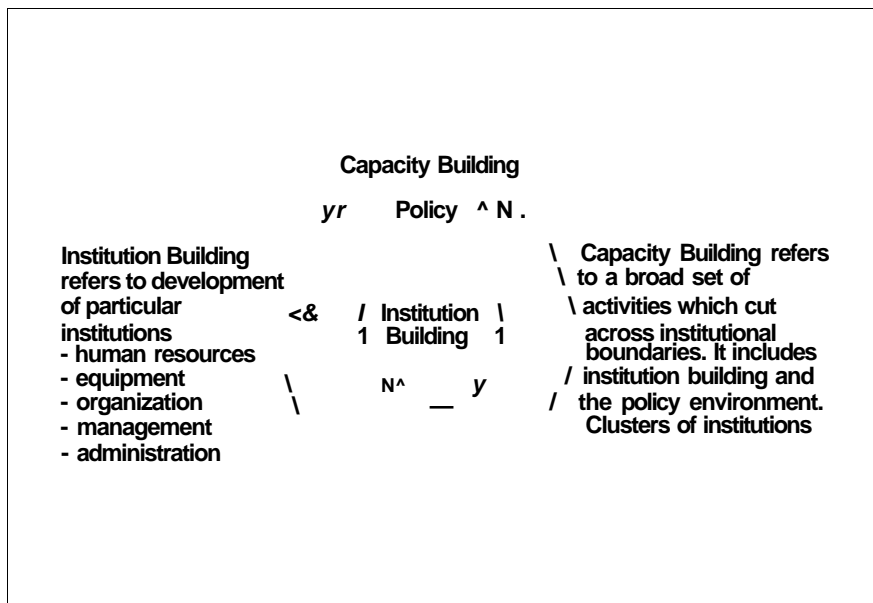


Figure 2: Illustration of the distinction between capacity building and institution building

OECD: "DAC Principles" op.cit. p.51.

The World Bank: "Handbook on Technical Assistance", Washington D.C. 1993

Ownership is used in the meaning of commitment from the recipient government and beneficiaries of the overall policy, the development plans, sectorial programmes and technical cooperation activities at project level.

Recipient responsibility means responsibility for policy-making, priority-setting, planning and implementation of all technical cooperation activities.

Comprehensiveness is used to describe the degree of adherence of projects to programmes and of programmes to the overall policy framework.

Private sector is defined as business activities of profit-making nature.

Civil society is defined broadly and comprises the organization of society in different interest groups and local associations of professional, social and political nature.

Gap-filling means the use of technical assistance personnel in operational line positions

3. THE DAC PRINCIPLES - A GUIDE TO TECHNICAL COOPERATION

3.1 Framework and Principles.

The DAC Principles for New Orientations in Technical Cooperation which were endorsed by OECD at a High Level Meeting in December 1991, is hereafter referred to as the DAC Principles.

According to the DAC Principles, the main instruments of technical cooperation are as follows:

- Providing access to training.
- The provision of expatriate and national experts.
- Policy and technical advice.
- Assistance in preparation of surveys and studies.
- Contributions to science, research and technological development.

The recognition of the failure to fulfil expected objectives was the background for the work on the new principles. Lack of success was expressed in the following terms, "the tool so long used as the solution to many problems has tended to become a problem in itself. Some of the failures are due to the extremely difficult conditions in which Technical Co-operation takes place."¹

The DAC Principles comprise the following:²

- Long-term capacity-building in developing countries as strategic objectives of technical cooperation rather than immediate, short-term performance.
- Put great emphasis on the central role of developing countries in the planning, design and management of technical cooperation.
- Stress the essential importance for effective technical cooperation of improved planning in the context of coordinated support for sectorial

OECD: "DAC-Principles" [op.citp.51](#).

² *ibid* p. 52

objectives and policies and, in particular, use of a programme approach rather than a project-by-project approach.

- Encourage ownership i.e. responsibility and control of technical cooperation programmes and projects at all stages by die intended beneficiaries through participatory approaches, including local NGOs participation.
- Emphasize the key importance of sustainable development and self-reliance of long-term institution-building, especially in the areas of policy analysis and development management.
- Take into account the new recognition of private sector needs for technical cooperation.
- Encourage greater use of local expertise and existing structures.

3.2 The DAC Principles - Grouping and Description

In die more detailed description of me principles, DAC makes use of 8 categories:¹ These are briefly summarized in me following:

The central role of the recipient country and the partnership concept pinpoint the full and active involvement of me recipient countries at all stages: in programme and project design, implementation, monitoring and evaluation. Participation of die target groups is of vital importance to promote sustainability and self-reliance. DAC makes use of die "least intervention principle" which refers to die use of foreign expertise only after mapping die available local resources. Technical cooperation should be performed widiin a context where local conditions are dioroughly understood.

Participatory development is considered essential to ensure full control and responsibility of activities by die recipient and to ensure mat they are pursued after die departure of die donors. Participatory development refers botii to die recipient government and to beneficiary groups. Participation should be encouraged at all stages and is regarded important in die context of good governance and support of democratisation processes. Gender issues should be taken into account at all stages.

OECD: "DAC Principles" op.cit.

Institutional development is regarded the essential instrument to enhance national capacity in the long-term rather than mere gap-filling of competence. Human resources development is a pre-requisite for institution-building. Parallel structures to manage projects financed by the donors should be avoided. The whole range of institutions should be considered as a point of departure for support to institutional development. The mapping should be conducted within an overall and a sectorial context. Policy making and resource management capacities at all levels should furthermore be given strong emphasis.

Improving functioning of governments and Civil Service is regarded essential for development. The need for careful priority-setting in public service reform is stressed. Insufficient remuneration of qualified national personnel and the need to restrain public expenditures reinforce the need for careful priority-setting. On the donor side, the practice of salary supplements should be avoided as a matter of principle. Salary supplement create distortions in the labour market which act contradictive to capacity-building in the public sector.

Comprehensive programme approach implies that priority should be given to a programme rather than a project-by-project approach. Technical cooperation should be related to the macro-level, sectorial and sub-sectorial strategies and programmes. Technical cooperation activities should be included in the recipient's plans and budgets. On project level, planning, selection and design should be undertaken in adherence to the programme of that sector. There is a clear reference to the vehicle of UNDP, the NaTCAPs (National Technical Cooperation Assessments and Programmes) which provides a methodology for assessing the effectiveness and for facilitating ownership.

Greater attention to costs and cost-effectiveness should be encouraged. It is important to ensure a reasonable relationship between expected benefits and costs in order to use scarce resources in the most efficient way.

Recognition of private sector needs should be given emphasis due to increased awareness of the importance of a dynamic private sector for sustainable economic growth. Technical cooperation in this context could be directed towards enabling the public sector to establish a framework conducive to business, towards private enterprises directly and towards mechanisms for a fruitful dialogue between the private sector and the government.

Improved coordination should be encouraged, particularly the role of operational staff in local aid. "Recipient governments should be encouraged to empower a central ministry or unit with sufficient authority to establish the policies and procedures for technical cooperation. Coordination should involve more than the bilateral donors. It should be extended to include NGOs and private sector representatives. UNDP and the World Bank should be given a special role."¹

3.3 The Interaction between the Principles

There is an overlap between the principles as they are presented by DAC. A systematization of the DAC Principles in objectives and instruments acting to fulfil the overall goal of sustainability and self-reliance presented in Figure 3. This gives a picture of the interaction between the principles.

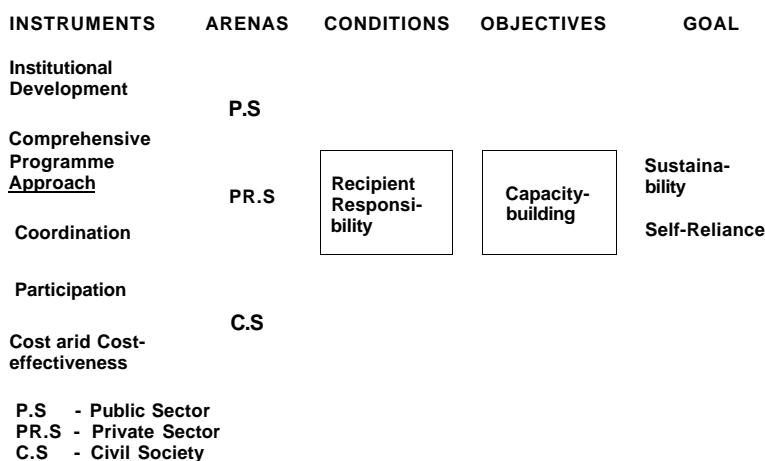


Figure 3: Interaction between DAC Principles

Sustainable development and self-reliance are the overall goals. Capacity-building acts as a necessary means to attain these goals. Recipient responsibility/ownership are preconditions for capacity-building. Here we face the profound challenge: How to transfer responsibility and control in a situation

where capacity in management is lacking and fear of corruption is present?

Capacity-building is needed in all arenas; public sector, private sector and in civil society, comprising a broad spectrum of organizations e.g. professionals, human rights, and local communities. Recipient responsibility as an important instrument in promoting ownership should be the guiding principle for technical cooperation in all three arenas. A sustainable development which gives due emphasis to the balance between state and market forces, between economic growth and social development requires commitment and participation from the population as a whole.

Institutional development is one of the key instruments in the DAC Principles. Institutional development includes both human resources and organizational structure.

Comprehensiveness and a sectorial programme approach are closely interlinked instruments. In accordance with these principles the donors should concentrate technical cooperation in sectors where they possess special qualifications. Technical cooperation activities should be provided in the form of programmes established within the sectors concerned. The policy of each sector should adhere to the overall development policy of the country. This will ensure comprehensiveness at the macro level. The responsibility of comprehensiveness at this level is in the hands of the recipient government. Programmes defined within each sector should be comprehensive to the overall policy of the sector concerned. Technical cooperation from the donors should be integrated in the programme.

The challenge of coordination will increase in proportion with the number of donors present in the country. A sectorial programme approach will reduce the burden of managing the donor community. When the donors are providing technical cooperation within the framework of a defined programme, this will reduce the coordinating tasks of the recipient. Coordination is however regarded as a separate instrument. In countries with weak administrative capacity and poor performance in policy-making, the pressure on the donors to coordinate is very great.

Participation by the recipient at all stages is supposed to serve as an instrument to increase ownership and commitment. Participation is a means to obtaining recipient responsibility. Participation on equal terms demands a basic compet-

ence comprising administrative and technical skills which are lacking in most African countries. This means that participation will have to take different forms dependent on the level of competence. Due to the fact that there is one part in need of technical cooperation and another part in position of delivering technical cooperation, the review makes use of the concepts "recipient" and "donor".

Cost and cost-effectiveness relate to increased awareness in design and to implementation, but also act as performance indicators.

3.4 The DAC Principles as Performance Indicators

There is a need to select specific items as performance indicators for the assessment of Norwegian policy on technical cooperation. In the Review the following indicators derived from the DAC Principles, will be used:

- *Objectives*
- *Participatory approach*
- *Local Conditions*
- *Comprehensiveness*
- *Sectorial Approach*
- *Coordination*
- *Arenas; public and private sector and civil society*
- *Institutional Development*
- *Human Resources Development*

SECTION I

Review of Norwegian Technical Coperation in Light of DAC Principles

4. SCOPE AND PERFORMANCE OF TECHNICAL COOPERATION IN AN INTERNATIONAL CONTEXT.

4.1 The Amount of Technical Cooperation

4.1.1 Technical Cooperation from the OECD-Region.

Approximately USD 20 billion is provided as technical cooperation annually to the public sector in developing countries from all sources.¹ In 1990, USD 3.5 billion was spent on technical cooperation in Sub-Saharan Africa, representing one quarter of total aid to the region.²

Bilateral technical cooperation has been the major source for technical cooperation in its 40 years of existence. In 1989, bilateral sources represented 71.7 per cent of total expenditures on technical cooperation. The multilateral share was 28.2 per cent. When all sources, including the World Bank are estimated, the multilateral share rose by around 30 per cent in the decade of 1980 to 1990. In nominal terms, USD 15 billion of the total of USD 20 billion comes from ODA and NGO grant technical cooperation.³

According to the OECD Report 1993, the net disbursements of technical cooperation from the OECD member countries amounted to USD 12.777 million in 1992. The Norwegian share amounted to USD 133 million, representing less than 1 per cent of the total. On average, the net disbursement of USD 12.777 million represents 23.6 per cent of bilateral ODA and 21 per cent of total ODA from the OECD member countries.⁴ In table 1, the OECD

The World Bank: ""Handbook" op.cit. p.iii

Elliot J. Berg: "Rethinking Technical Cooperation. Reforms for Capacity Building in Africa". 1993

The World Bank: "ibid".

OECD/DAC: "Development Co-operation. Aid in Transition". 1993 Report.

member countries are ranked in accordance with the amount of technical cooperation in bilateral ODA.

OECD Member Countries	Per centage
Netherlands	43.7
United Kingdom	43.0
New Zealand	42.5
Ireland	42.4
Belgium	35.0
France	34.2
Australia	32.9
Portugal	31.2
Germany	28.3
Spain	25.4
Canada	23.7
Finland	21.5
Unites States	20.7
Austria	17.1
Denmark	17.0
Italy	16.2
Japan	14.7
Norway	13.8
Sweden	13.4
Luxembourg	2.0
Total DAC	23.6

Table 1: Per cent technical cooperation expenditures of bilateral ODA in the OECD region 1990-91 in average.

The DAC data includes only free-standing technical cooperation financed from the OECD member countries and from the official multilateral institutions. Four important categories of technical cooperation are excluded;

- Technical cooperation provided in connection with investments, which according to UNDP estimates represents 10-20 per cent of the total.
- Technical cooperation provided by non-OECD member countries.
- Technical cooperation financed by NGOs, which according to UNDP estimates, could amount to as much as 10 per cent of total technical cooperation flows.
- Technical cooperation that is loan-financed, of which the World Bank is the largest provider.¹

The amount of technical cooperation has increased over the last decade. The net disbursements of technical cooperation from the OECD member countries in 1981 amounted to USD 8,972 million compared to USD 12,777 million in 1992. In nominal terms, this represents an increase of 30 per cent. When the growth in total ODA is taken into account, the growth in technical cooperation from the OECD member countries amounted to 5 per cent over the last decade.

On average technical cooperation represents about 25 per cent of all external aid. Its share of total aid received varies from 10 to 60 per cent in Sub-Saharan Africa. There is little connection between technical cooperation and the level of development and the need for technical cooperation. The volume of technical cooperation resources a country receives depends on a variety of factors, in which its colonial past plays an important role.

Although the real value of technical cooperation has increased slowly by around 5 per cent over the last decade, the importance of technical cooperation for the recipient countries has grown substantially. Because of economic recession in several Sub-Saharan African countries, the average share of technical cooperation in relation to government revenues and export earnings has doubled during the 1980s.

Technical cooperation is provided in different forms. The categories used by the main providers of data are not synonymous. In general, technical cooperation is provided either through activities in the recipient country or in the donor

Berg: "Rethinking Technical Cooperation", "op.cit." p.71.

countries. Technical cooperation which takes place in the recipient countries consists of different types of technical assistance personnel i.e. experts, teachers, volunteers, institutional support, training programmes, equipment and research and development activities. Technical cooperation is delivered as a package consisting of different elements. The deliveries are thus subject to strong ties with regard to the provision of personnel and equipment.

Technical cooperation which takes place in the donor communities includes scholarships and courses. DAC makes use of five categories. The distribution in 1990-91 from the OECD-region is presented below:

• Students	2.3 per cent
• Trainees	1.4 per cent
• Experts and teachers	3.8 per cent
• Volunteers	1.0 per cent
• Other	12.1 per cent'

The figures are per cent of total bilateral ODA disbursements. The category "other" includes training, studies, surveys etc. Equipment is excluded. The DAC figures give the impression that the personnel component represents a minor share of technical cooperation.

According to Elliot J. Berg and to country surveys carried out for NaTCAP reviews, the personnel component represented more than 60 per cent of all financing allocated to technical cooperation. Training programmes represented 10 to 15 per cent.² One factor that explains the discrepancy in figures on the personnel component, is that DAC includes feasibility-studies, pre-investment studies and surveys in the definition of technical cooperation, while the UNDP study distinguishes between three categories; personnel, training and equipment/management.

A further explanation is the comparison selected. In the DAC-figures, bilateral ODA represents the total. In the UNDP figures, total technical cooperation in the recipient country is used as the total. When die DAC-figures are adjusted, the personnel component does not amount to more than 22 per cent.

OECD: "Report 1993" op.cit.

Berg: "Rethinking Technical Cooperation" op.cit.

4.1.2 Norwegian Technical Cooperation in a Nordic Context

Technical cooperation from Norway represents a minor share in a global context. The Norwegian share of technical cooperation from OECD member countries is 0.01 per cent. Furthermore, the relative importance of technical cooperation in Norwegian aid has been low and still is. In 1990-91 on average, technical cooperation from Norway amounted to 8.7 per cent of total ODA and 13.8 per cent of bilateral ODA. In a Nordic context, Norway and Sweden provide less technical cooperation than Denmark and Finland. Finland is the largest Nordic donor of technical cooperation in relative terms. The differences are, however, minor, and in a global context the Nordic countries play a minor role.

Technical cooperation resources from Norway increased during the 1980s. In 1981-83 the average amount of Norwegian technical cooperation was USD 43 million. In 1992 the amount in absolute terms rose to USD 138 million. The increase in per cent of bilateral ODA is presented in Table 2;

Year	1981-83	1989	1990	1991	1992
Bilateral ODA	308	555	756	734	811
TC Expenditures	43	86	98	109	138
Percentage	13.9	15.5	12.8	14.9	17.0

Table 2: Norwegian technical cooperation in USD million.

When the development of Norwegian technical cooperation in quantity is compared to the other Nordic countries, the ratio is the same. As seen from Table 3, the share of technical cooperation in per cent of bilateral ODA has increased in Norway and Sweden and decreased in Denmark and Finland during the 1980s. The high share of technical cooperation from Denmark and Finland in the beginning of the 1980s reflects a large number of experts serving in the developing countries. With the exception of Finland, the Nordic countries have slightly increased their technical cooperation in per cent of bilateral ODA from the year 1990.

	1981-83	1989	1990	1991	1992
Norway	13.9	15.5	12.8	14.9	17.0
Sweden	21.3	24.7	12.9	13.8	29.6
Denmark	46.7	19.5	15.7	19.7	21.4
Finland	47.6	15.1	20.5	22.5	20.7

Table 3: Nordic technical cooperation in per cent of bilateral ODA.

When looking at the relative importance of different types of technical cooperation from Norway, we can observe that the personnel component is low according to DAC statistics. Expenditure on students and trainees accounts for 1.4 and 0.1 per cent, while experts/teachers and volunteers account for 2.2 and 1.4 per cent of bilateral ODA. The category "others" including feasibility studies, surveys and courses account for 8.6 per cent.

The prevalence of experts compared with volunteers changed during the late 1980s. The number of experts has been reduced substantially from an average of 209 in 1985-1987 to an average of 63 in 1991-1993. Volunteers expressed in terms of man-years have also been reduced. The reduction has been less than in the case of the experts.

The number of experts and volunteers provided from Norway are presented in Table 4.

Y	84	85	86	87	88	89	90	91	92	93
E	215	227	208	191	166	141	118	78	62	49
V	152	163	160	161	154	140	143	125	115	112

Table 4: Number of experts and volunteers in man-year including UN-volunteers 1984 to 1993.

Technical cooperation from NGOs is not included in the DAC-statistics on technical cooperation. However, according to UNDP estimates technical cooperation from NGOs amounts to approximately 10 per cent of technical

Y=Year, E=Experts, V = Volunteers.

cooperation flows.¹ In a Norwegian context, data on technical cooperation from the NGOs have not been available, but the amount of aid channelled through NGOs has grown substantially from 20.3 per cent of bilateral aid in 1987 to 35.9 per cent in 1993.²

Technical cooperation aiming at institutional development is strongly emphasized in the DAC Principles. A closer cooperation between institutions in the recipient and donor countries is one of the recommended instruments. The amount of institutional cooperation is not included either in the DAC figures or in NORAD-statistics. The amount of Norwegian support for institutional development in the form of twinning is described under the review of Norwegian policy.

To sum up, Norwegian technical cooperation expenditure has slightly increased in percentages of bilateral ODA and total ODA. The relation between technical cooperation provided on bilateral and multilateral basis has remained the same. The composition of technical cooperation personnel has changed with reduced emphasis on experts.

4.2 Historical Background in an International Context

4.2.1 The Colonial Rule as the Hallmark of Technical Cooperation.

At the time of independence, most countries in Africa were left with a human resource base deprived of most skills and competence necessary to take responsibility for their own development and future. The educational tasks were enormous. The challenge was accentuated by the build-up of colonial structures without legitimacy in the indigenous culture.

During the final years of colonial rule, the colonial administrations began to realize the problem of competence. Efforts in the education area were initiated on a broad scale. Technical cooperation was introduced by bilateral and multilateral donors after World War II. At that time, Africa was a minor recipient of technical cooperation. Despite huge support, dependency on

Berg: "Rethinking Technical Cooperation" op.cit.

NORAD: Information from NORAD statistical office.

expatriate manpower was substantial in the decades of decolonization. Africa had been left with very few high level technicians, professionals and managers - people with training and experience to run the modern organizations built during colonial rule.

In the period of decolonization, education was regarded as the main answer to low capacity. The provision of technical assistance personnel was seen as a temporary solution. Education locally available at all levels, combined with scholarships for African students in donor countries was expected to replace expatriate personnel by local manpower.

Given the profound faith in the replacement strategy over the longer term, technical cooperation activities increased. In the course of the 1950s, Sub-Saharan Africa became the major recipient of technical assistance personnel. In 1963, nearly half of the approximately 44,000 non-teacher technical assistance personnel working world-wide, served in Sub-Saharan Africa.

In the period from decolonization and to the mid-60s, the colonial powers were the main source of technical cooperation. In 1963, France and United Kingdom provided more than 75 per cent of technical assistance personnel in Sub-Saharan Africa.

4.2.2 Mid-1960s: Expansion and New Actors on the Stage.

During the 1960s the role of the colonial powers was reduced. Growth in technical cooperation came primarily from non-colonial bilateral and multilateral sources, i.e the UN-system and the United States. Confidence in technical assistance personnel was maintained and the application of the expert-counterpart model was to accelerate the process of replacement of expatriate personnel by local manpower. By 1970, the total number of technical assistance personnel from the OECD member countries in Sub-Saharan Africa had expanded to 42,500.

The educational area accounted for the major part of this increase, reinforcing the trends of the 1950s. However, new areas and sectors of society became subject to technical cooperation activities e.g. agriculture. Technical assistance personnel was nevertheless concentrated in teaching and as gap-fillers in the public sector. Even though multilateral agencies provided technical cooperation on an increasing scale, 48 per cent of technical cooperation grants were

provided bilaterally in 1970. The colonial powers were still the main source of technical cooperation.

4.2.3 Mid-1970s: The Awakening of Criticism.

Technical cooperation continued to expand in the 1970s. From the mid 1970s sporadic criticism came to the surface. The prominent trend was, however, a positive attitude and belief in technical cooperation as an important instrument in development. The strong support is reflected in a substantial increase in the volume of technical cooperation prevailing throughout the 1970s.

In 1970, Sub-Saharan Africa received USD 435 million in technical cooperation grants. Between 1975 and 1980, technical cooperation grants grew by almost 50 per cent in real terms from USD 2,2 billion to USD 3,1 billion in 1980. In the early 1980s, the nominal rise was still substantial, but somewhat lower in relative terms. In the early 1970s, technical cooperation represented around 40 per cent of total ODA. By the late 1980s, this figure dropped to 24 per cent.

In the ten year period from mid-70s, questions concerning the effectiveness of technical cooperation and the personnel component, were raised sporadically. Evaluations produced different results. The divergent conclusions should be seen in the light of the different objectives and areas of technical cooperation. Technical cooperation with the aim of strengthening institutional capacity with replacement by locals as a performance indicator gave unsatisfactory results. In engineering-type technical cooperation, where performance was measured in the form of an end-product e.g. road-building without administrative components, the results were satisfactory.

4.2.4 Mid-1980s: A Growing Awareness of Poor Performance.

In the mid-80s, huge amounts of technical cooperation grants were still provided to Sub-Saharan Africa, mostly in the form of package deliveries where the use of experts was tied to the donor in question. The level of aid dependency had at that time increased in most of the countries.

From the mid-80s the image of ineffectiveness became more and more clear. It was no longer possible to overlook the results of several evaluations which revealed a situation of ineffectiveness in building capacity and self-reliance.

Evaluations of technical cooperation projects from both multilateral and bilateral donors pointed in the same disappointing direction.

A joint UNDP/World Bank assessment in 1986 presented the clear message that technical cooperation had not brought to Africa the expected results. The general thrust of World Bank's evaluations were that capacity-building technical assistance usually had low rates of success, much lower than "hard" or engineering type technical assistance.

The World Bank's "Technical Assistance Review Task Force" in 1991 produced the following message: "Poor performance and the need for radical improvement in the World Bank's management of technical assistance, particularly in institutional development".¹

A wide range of evaluations revealed a complexity of obstacles. Technical cooperation aiming at institution-building has proved least effective because it comprises the most profound challenges. The most important and the commonly shared of these are as follows:

- Slow progress in creating a good policy environment and well-functioning institutions which can implement policies, programmes and projects in a cost-effective and sustainable manner.
- Supply-driven nature of technical cooperation.
- Limited role played by the recipient in the management of the technical cooperation.
- Inadequate planning and management of technical cooperation projects.
- Lack of careful and realistic definitions of objectives.
- Over-emphasis on project implementation requirements.
- High unit costs of technical cooperation in general, and over-reliance on high cost expatriate expertise.
- Inadequate attention in utilizing local expertise.
- Lack of coordination among donors due to competition.
- Long-term resident experts are used for support of operations, not capacity-building.

Berg: "Technical Cooperation" op.cit.

- Training programmes related to technical cooperation are ad hoc and not based on systematic assessment of manpower needed.¹

4.3 Historical Review of Norwegian Technical Cooperation

4.3.1 1950s: Norway as Provider of Technical Cooperation to UN

At the very beginning Norwegian technical cooperation was mainly provided through the UN Funds for Technical Cooperation (EPTA). EPTA was established in 1949 as a response to the major challenges after World War II. In 1950 the Norwegian contribution amounted to NOK 250,000, representing almost 100 per cent of Norwegian aid. By 1961 the Norwegian contribution to EPTA increased to NOK 4.4 million which amounted to 15 per cent of the total.

The distinction between technical cooperation and financial assistance was clearly pronounced in the policy papers of that period.² Technical cooperation was defined as transfer of professional competence, scientific results and practical working methods within the various sectors of society.

In addition to financial contributions to EPTA, Norway placed experts to the disposal of the UN. In the years 1950 to 1960 the number of Norwegian experts serving in developing countries was 250. The extension of technical cooperation in the late 1950s led to problems in recruiting qualified experts. The problems were connected both with the UN-system and Norwegian bilateral projects like Kerala in India. The lack of qualified experts was solved by increased use of UN volunteers. The decision to establish a Norwegian Volunteer Service was endorsed by the Norwegian Parliament in 1961.³

OECD: "DAC Principles" op.cit. Berg: "Rethinking Technical Cooperation" op.cit. and the World Banks "Handbook" op.cit.

Utenriksdepartementet: "Innstilling fra Utvalget for utredning av spørsmålet om Norges hjelp til utviklingslandene." 1961.

Utenriks- og konstitusjonskomiteen: Innst.S.nr.74 - 1961-62.

4.3.2 1960s: Technical Cooperation as the Major Part of Bilateral Aid

Norwegian governmental assistance to Africa started in 1962 with Tanzania. Education was the main area. In the Annual Report on Norwegian aid in 1962 two aspects were underlined. Norwegian aid projects should be incorporated into the development plans of the Government in Tanzania. Secondly, the need for coordination with other bilateral and international donors present in Tanzania was stressed.

Technical cooperation was the main component of development assistance in this period. In the beginning of the 1960s, the international donor community recognized the need to supplement technical cooperation with increased capital assistance. The economic situation was regarded as the main barrier to making use of skills. In the Norwegian aid strategy of the 1960s the need for vocational training and education was emphasized. It is furthermore interesting to note that the need for coordination of aid was strongly underlined. '

In the period from 1962 to 1970, total bilateral expenditures on technical cooperation increased substantially. From NOK 800,000 provided in the form of experts in 1962, expenditures grew to NOK 37 million in 1970. The share of technical cooperation as a percentage of bilateral aid in this period is presented in Table 5. The percentage rose from 5 in 1962 to 32 in 1970.

Years	Bilateral TC expenditures in NOK million	TC in per cent of total bilateral aid
1962	800	5
1963	976	7
1964	3,142	14
1965	4,354	15
1966	9,073	23
1967	11,086	33
1968	16,549	33
1969	23,644	27
1970	37,185	32

Table 5: Technical cooperation in per cent of bilateral aid 1962-70

In 1962 54 Norwegian experts were recruited to UN-programmes. In 1951 the number of Norwegian experts was 15. In order to meet the recruitment problem which emerged in the late 1950s, it was decided to make use of UN junior experts. The number of Norwegian junior experts put at the disposal of the UN in 1962 amounted to 5. In the same year 130 scholarships for students from developing countries were provided.

In 1963 the Norwegian Volunteer Service was established. A first group of 20 was provided to Uganda that year. When development cooperation with Tanzania as the first partner country in Africa started up in 1963, technical cooperation comprised the major part. Nordic experts were recruited on a collaborative basis in connection with building up of institutions. This form of aid was provided within areas such as education, health, agriculture and fisheries.

In 1965 the number of Norwegian personnel serving in developing countries reached 299. The increase in the total number of Norwegian personnel in the period from 1962 to 1965 is presented in Table 6. The figures furthermore

Data is collected from the Annual Reports "Norsk Utviklingshjelp" 1962-70. The figures comprise experts, scholarships and volunteers.

show the distribution between bilateral experts, volunteers, experts serving on Nordic projects and UN projects.

Year	Experts on bilateral projects	Norwegian Volunteers	Experts on Nordic projects	Experts on multilateral projects	Total
1962	41		37	77	155
1963	34	17	37	96	184
1964	48	35	33	102	218
1965	70	71	44	120	305
1966	126	86	41	130	383
1967	148	106	44	129	427

Table 6: Numbers of Norwegian personnel serving in developing countries 1962-67.

The increase in the total number of Norwegian personnel arises mainly from the establishment of the Norwegian Volunteer Service and the increase in experts on bilateral projects. The technical cooperation expenditures including, experts, volunteers and scholarships amounted to NOK 800,000 in 1962. In 1965 the expenditures reached approximately NOK 4,5 million. Two years later the technical cooperation grants had almost tripled to an amount of NOK 11 million.

By mid 1960s, Africa became the main recipient of Norwegian bilateral aid. Uganda and Kenya bypassed Tanzania in terms of financial assistance and technical cooperation in 1965. In the Annual Report on Norwegian aid in 1965, East Africa is described as an area in great need of technical cooperation.¹ Norwegian experts were engaged in operational positions in different East African institutions. According to the policy of that time, Norwegian technical cooperation should be integrated into the development plans of the recipient country in question. The Norwegian experts were to be employed by the local institution.²

"Arsmelding for Norsk Utviklingshjelp 1965".

"ibid"

In 1965 a formal agreement was signed with the University of East Africa. One of the main objectives of the University of East Africa was to provide teachers to higher education in East Africa. Norwegian support consisted of both financial and technical assistance. One of the objectives was to create a professional network with Norwegian universities which could be of mutual benefit.¹ This agreement is one of the first in which Norwegian institutions were linked to local institutions in Africa.

According to figures from the Annual Report on Norwegian Development Assistance to the Parliament in 1968, the total amount of Norwegian aid to Africa amounted to NOK 17 million in 1967. More than 50 per cent was provided in terms of Norwegian experts. In nominal terms, the expenditures to Norwegian personnel amounted to NOK 9 mill. The expenditures on scholarships amounted to NOK 0.5 million.

The recruitment of Norwegian experts to the UN-system stagnated in 1967. The stagnation was caused by the priority which was given to recruitment of Norwegian experts to bilateral projects.

Up to 1968 development assistance in Eastern Africa consisted largely of technical cooperation and equipment. A change in the pattern of development assistance took place in 1968. At the end of 1968 the number of Norwegian experts serving in Eastern Africa and Zambia was 120. The number was 88 at the end of 1967. In this year resident missions were established in Nairobi, Kampala and Dar es Salaam. In 1968 a number of new projects were initiated. In addition to Norwegian expertise, the new projects required a considerable amount of capital assistance. At the same time there was a tendency towards concentrating technical cooperation in projects which integrated both technical and financial assistance. Up to this time experts were recruited separately, serving in various positions in governmental administration and other institutions in the recipient countries. This represented the beginning of a trend towards a more integrated approach and concentration of aid.

In 1968 the number of scholarships to students and trainees from developing countries in Norway reached 266 of which 196 was financed by NORAD. Priority was given to highly qualified students in order to obtain a mutual

Norsk Utviklingshjelp: Arsmelding og regnskap 1966.

exchange of competence. With such a high number, the need for organizing special courses arose. In 1968 four courses initiated by NORAD were run at the Universities of Oslo and Trondheim.

On the multilateral scene, Norwegian grants to technical cooperation under UN direction amounted to NOK 35 million. UNDP which was established in 1966, incorporated the previous EPFA. '

In accordance with the principle of geographical concentration, Norwegian aid to Kenya, Tanzania, Uganda and Zambia continued to increase. The concentration was especially strong with regard to technical cooperation. 79 per cent of Norwegian experts serving in developing countries was located in these four countries. In 1969, the initiative to establish comprehensive programmes for Tanzania, Kenya, Uganda and Zambia was taken. In the Annual Report to Parliament in 1970 it was stressed that these programmes should adhere to the development plans of the recipient countries.

In the late 1960s and up to 1970 technical cooperation as share of bilateral aid expenditures amounted to 32 per cent on average. The relative importance of experts in comparison to volunteers and scholarships increased in this period. From 1969 to 1970 the expenditures on Norwegian experts doubled from NOK 15 million to NOK 28 million. Expenditures on scholarships and courses amounted to NOK 4 million and on volunteers nearly NOK 5 million. The demand for Norwegian experts expanded in the engineering area. ²

4.3.3 1970s: Reliance on Experts as Gap-Fillers under the Free Choice of the Recipient.

In the beginning of the 1970s budget categories changed. The Annual Reports on Norwegian aid of that time divided bilateral aid into four main categories: project support, programme support, commodity aid and technical cooperation. Technical cooperation consists of experts, volunteers, scholarships and "other" e.g. consultants. The development of technical cooperation as share of bilateral

Utenriksdepartementet: Stortingsmelding nr. 64 (1968-69) Arsmelding og regnskap for Norsk Utviklingshjelp og Direktoratet for Utviklingshjelp for 1968.

Utenriksdepartementet: Stortingsmelding nr. 54 (1970-71) Direktoratet for Utviklingshjelp. Arsmelding og Regnskap for 1970.

cooperation and the distribution between different forms of technical cooperation are shown in Table 7.

Year	1970	72	73	74	75	76	77	78	79
Total TC/BA	29	27	20	19	16	21	17	18	15
Experts	21	21	15	11	9	9	6	5	4
Volunteers	4	3	2	1	1	1	1	1	1
Scholarships	4	3	3	2	2	2	2	1.5	1.5
Other e.g. consultants	-	-	-	5	4	9	8	10.7	8.5

Table 7: Different forms of technical cooperation in per cent of Norwegian bilateral aid 1970-79.
TC/BA=Total technical cooperation in per cent of bilateral development assistance.

The table shows that the trends of the late 1960s continued up to 1972. From 1972 there was a reduction in technical cooperation's share of bilateral aid. The percentage of technical cooperation of bilateral aid amounted to 27 in 1972. In 1979, the percentage was reduced to 15. The reduction in relative terms is not an indication of reduction in *the* nominal technical cooperation expenditures. The relative reduction is caused by an increase in total bilateral aid. In 1973 the total expenditures on bilateral aid were NOK 242 million. In 1974 the amount increased to NOK 403 million.

The composition of technical cooperation changed in the 1970s. The share of expenditures for experts reached a peak in the beginning of 1970s with a subsequent reduction for the remainder of the decade. Volunteers and scholarships followed the same trend with a reduction from 4 per cent of bilateral aid each in 1970 down to 1 and 1.5 per cent respectively in 1979. The category "other" e.g. consultants is registered from 1974 and increased to approximately 9 percent in the final years of the decade.

The changes started in 1972. In the Annual Report to Parliament on aid in 1972 it is noted that there was a small increase in the total amount of technical cooperation. There was a slight increase in the number of Norwegian personnel serving in developing countries under bilateral assistance. As in previous years the main sectors comprised agriculture and education. The number of volunteers in nominal terms was reduced. The number of Norwegians serving in developing countries under international organizations remained at the same level. The

ratio between bilateral and multilateral aid was 48/52 in 1972. In Sub-Saharan Africa, Botswana received the status of recipient country in 1972.

The number of Norwegian experts (excluding volunteers) under bilateral agreements with countries in Sub-Saharan Africa from 1971 to 1976 is presented in Table 8.

	1971	1972	1973	1974	1975	1976
Kenya	91	81	75	76	55	58
Uganda	36	17	2	-	-	-
Tanzania	56	66	64	72	78	71
Zambia	38	73	73	66	61	52
Botswana	-	-	2	12	19	20

Table 8: Number of Norwegian experts serving in Norwegian partner countries in Sub-Saharan Africa 1971-76.

Technical cooperation provided through Norwegian institutions started up in the mid 1960s. The objectives were to secure recruitment of experts, provision of training courses and research activities related to development activities. In 1972, formal agreements were signed with the following Norwegian institutions:

- Chr. Michelsens Institute, 1969
- The Norwegian Institute of International Affairs, 1964
- Agricultural University of Norway, 1970

On the multilateral scene, the number of Norwegian personnel serving in UN projects was 70 exclusive of junior experts in 1972. The total number was 115.

Gap-filling was a prominent function of Norwegian experts in the early 1970s. The recipient was in principle free to set the priorities for which positions they wished to fill with Norwegian personnel. Priorities were set within a financial framework presented by NORAD in advance.

The recruitment of volunteers showed a strong reduction in 1972. The total number of volunteers was 60 in 1972. In 1973 it was decided by Parliament to

strengthen the Norwegian Volunteers Service.¹ Increased effort on recruitment started in 1973. The development is presented in Table 9.

Years	1972	1973	1974	1975	1976	1977	1978
Number	60	55	56	82	77	6	75

Table 9: The number of Norwegian volunteers 1972-77.

The amount of programme assistance increased from the early 1970s. In the Annual Report to Parliament on aid in 1974, it was emphasized that Norwegian experts should be concentrated in sectors where Norway was already providing financial aid. By 1973 the amount of aid had reached a level that raised questions of effectiveness.

By mid 1970s, the numbers of sectors receiving technical cooperation had expanded. Transport/communication and water engaged the major amount of experts measured in man-years. In addition, education and agriculture/fisheries played an important role. Public administration followed as the fourth sector. Norwegian experts were also engaged in industry, health, social affairs and trade.

In 1977, the share of technical cooperation in percentage terms of bilateral aid was reduced. More than 90 per cent of Norwegian experts recruited by NORAD served in Africa; Kenya, Tanzania, Zambia of Botswana which were all partner countries at that time.

The use of consultancy services had recently increased. There were two reasons for this. The first was the need for highly qualified services. The second was increased demand for services provided at short notice. The cooperation between NORAD and Norwegian institutions in recruiting experts in accordance with demand, increased in the mid 1970s.²

By the end of 1970s, the share of technical cooperation in percentage terms of bilateral aid was reduced to about 15 per cent. The number of experts however, remained at about the same level. The number of experts increased in Botswana

St.meld.nr.61 (1971-72) "Arsmelding og regnskap for 1971"

St.meld.nr.8 (1978-79) "Om Norges samarbeid med utviklingslandene i 1977"

and Zambia, and fell in the case of Kenya. Recruitment of experts was secured through cooperation with Norwegian institutions of professional kind in different area. The amount of consultancy services increased. Expenditures on scholarships, training courses and volunteers increased slowly over the decade.

4.3.4 1980s: Awareness of Results and Change in the Aid Profile.

During the 1980s, awareness of the results of technical cooperation came into focus. In a White Paper to Parliament in 1984, it was recognized that professional and administrative skills still represented a bottleneck to effective utilization of the resources of the developing countries.¹ This was especially the situation for Norwegian partner countries in Africa. Support to long-term capacity-building was defined as an important objective. However, reinforcement of capacity by the use of Norwegian personnel was viewed as essential on a temporary basis. Forms of technical cooperation were defined as follows:

- Experts
- Volunteers
- Consultants
- Institutional cooperation
- Training

The following principles were enunciated in the context of technical cooperation:

- Norwegian expertise should be used only after local alternatives have been explored and discarded. The use of Norwegian personnel is furthermore considered important in increasing the level of knowledge in Norway on developing countries. This is related to the overall principles for Norwegian aid, manifested in the concept of "recipient orientation". This principle was formalized in 1972.
- Design and implementation should, to the greatest possible extent, be performed by the recipient's own administration. In accordance with this principle, support to local government on technical and administrative skills should be given priority.

Utenriksdepartementet: [St.meld.nr.36](#) "Om enkelte hovedspørsmål i norsk utviklingshjelp" (1984-85).

- Technical cooperation should be given high priority in the future in order to promote capacity-building. Planning and implementation should be given greater consideration.
- Technical cooperation within programmes and projects where Norway is engaged should be emphasized. Technical cooperation beyond the areas of concentration should however continue. In this regard special emphasis should be given to important target groups in Norwegian development cooperation.

Recipient responsibility is considered difficult to achieve due to fact that capacity in planning and management is low. The priorities presented by the recipient do not necessarily reflect a decision-making process based upon broad participation. A closer dialogue with the recipient is necessary. It is furthermore of importance to implement a multi-year planning process which take into account the need for long-term commitment. Norwegian aid should be integrated into the development plans of the Government concerned.

The need to coordinate aid is strongly underlined in the strategy of the 1980's. A sectorial approach with concentration of aid resources in programmes is recommended. In 1986, the Nordic-SADCC initiative was launched with the intention of improving the coordination of Nordic aid to Sub-Saharan Africa. Norwegian aid to regional cooperation had been promoted through SADCC since the beginning of the 1980s. Technical cooperation on institution-building formed an important part of the SADCC-support.

The value of technical cooperation through the Norwegian Volunteers Service was stressed. Their close cooperation with poor people and local organizations was regarded as a fruitful contribution to overall technical cooperation. Geographical expansion of technical cooperation beyond the main partner countries was announced in 1984. This was repeated in the White Paper to Parliament in 1987.¹ Four sectors are expected to be the main receivers of Norwegian technical cooperation to non-partner countries:

- Fisheries
- Shipping
- Hydro-power
- Petroleum

Departementet for Utviklingshjelp: [St.meld.nr.34](#) "Om hovedspersmal i norsk utviklingshjelp^986-87). Tilleggsmelding til [St.meld.nr.36](#) (1984-85)

4.4 Past Performance of Norwegian Technical Cooperation

Technical cooperation provided by Norway has more or less suffered the same deficiencies as the rest of the donor community. In an informal review by the Ministry of Development Cooperation in 1986, the results of 23 evaluations were assessed. The evaluations covered a wide spectrum of activities in human resource development, training and transfer of technology. It is important to note that the criticisms presented here applied only to a minority of the projects. The overall picture presented in the summary paper was satisfactory.

However, the recent call for a new approach and new guidelines based on a broader perspective with capacity-building and self-reliance as the overall objectives could have produced different results in some of the evaluations. The use of performance indicators like e.g. replacement rate and management capacity in the institutions concerned, could have led to different conclusions in the evaluations which were included in the review. The overall image might then have then turned out less positive. The main weaknesses are presented below:

- Objectives were not formulated, lacked clarity or were redefined during the course of implementation.
- Local conditions were not taken into account in a satisfactory way.
- Lack of long-term planning, formulation of strategy and operational guidelines in design of projects and unsatisfactory Terms of Reference.
- Assessments of needs in advance of project design was inadequate.
- Participation by the recipient government and target groups during the project cycle was unsatisfactory.
- Insufficient training particularly in the areas of management and administration. Changes of local counterparts during implementation acted furthermore as a barrier to training.

A study of aid and entrepreneurship in Tanzania undertaken by die University of Dar es Salaam in cooperation with Torvald Gran at die University of Bergen, was published in 1993.' The study provides an analysis of NORAD's contribution to entrepreneurial mobilization in the public sector in Tanzania. The study comprises an analysis of five projects in different sectors.

The conclusions on NORAD's management strategy were as follows: "After agreements have been signed the projects receive little or no policy guidance from the government authorities. The project managers on their part lament this lack of guidance, not least because they feel pressure from external project evaluations demanding that the projects should serve radically different development goals. NORAD has increasingly mobilized Norwegian consultants, firms and colleges/universities in Norway to participate in the implementation of projects. Only to a very limited degree has NORAD managed to mobilize Tanzanian organizations and entrepreneurs."¹

The Norwegian personnel recruited to the projects were formally employed within the Tanzanian institutions. However, in practice they functioned as a group controlled by NORAD. The strategy is called a Chinese box strategy, with NORAD control of a NORAD recruited team within the project's administration. The amount of control needs to be seen in relation to the functioning of the political system in Tanzania.

On the basis of a questionnaire undertaken as part of the study, a picture of NORAD emerges as an agency with a good training record, but as an organization with a weak "receiver orientation", and an organization with limited abilities to mobilize Tanzanian entrepreneurs in the public sector. The aid projects were characterized as efficient, but isolated organizations in the government system. The activities of NORAD were poorly adjusted to the local culture.

In 1988, an evaluation of the effectiveness of technical assistance personnel from the Nordic countries was commissioned by the Nordic development agencies. The study was conducted by an evaluation team headed by Kim Forrs².

The Nordic report consists of case studies of 55 projects in Kenya, Tanzania and Zambia which employed TAP from Norway, Denmark, Sweden and Finland. The report found that despite growth of local manpower, demand for technical assistance personnel persisted at a relatively high level in all three countries. The link between demand for technical assistance personnel and

Gran: *ibid*

The Nordic Development Agencies: "The effectiveness of Technical Assistance Personnel", 1988

availability of local manpower was distorted. Technical assistance personnel was seen by the ministries as a way to augment their personnel on an extra-budgetary basis.

The demand for technical assistance personnel, particularly those functioning as project implementors or "controllers" was also created by the proliferation of projects; donors frequently created parallel project implementation units staffed with expatriates because they felt they could not entrust project implementation and project funds to existing government agencies. The report found, nevertheless, that local manpower could fill 204 of the 324 technical assistance personnel positions if problems of lack of funds were solved.

In terms of effectiveness, the principal conclusions of the Nordic report were that technical assistance personnel were usually highly effective in operational positions but much less effective in transferring skills and in contributing to institutional development. The report found that technical assistance personnel may even have had a negative effect on institutional development because they tended to create or enlarge institutions that are not sustainable.

One of the principal reasons that technical cooperation was found to be ineffective, was the break-down of the expert-counterpart relationship. Only about half of the technical assistance personnel who were supposed to have counterparts actually had them. Those who had counterparts were frustrated by lack of commitment. Faced with the pressure to produce measurable outputs, technical assistance personnel devoted more time to operational responsibilities than to the training of counterparts.

The assessment of the local manpower situation prior to design, was not regarded as satisfactory. Technical assistance personnel were used as a solution before the nature of the problem was identified. The recipient countries were seldom fully involved in the decisions on technical assistance personnel. Poor coordinating capacity aid agency procedures that did not disclose vital information, particularly on costs, were regarded as main causes.

The requirements of the programme/project had not been given due consideration. The result was poor performance. Few of the technical assistance personnel from the Nordic countries had relevant knowledge and skills in design of and implementing programmes for on-the-job training and institution building, even if they were otherwise professionally well qualified. Allowances

made for local conditions were not satisfactory. The report concluded that the recruitment base for technical assistance personnel was too narrow.

With regard to capacity-building, the training and institution-building objectives were neglected. Focus had notably been on quantifiable, production oriented targets. The integration between local and foreign staff was described as poor. The loyalties of foreign personnel were divided, and distrust between aid agencies, local authorities and project personnel was a frequent feature.

The report concludes that in spite of these shortcomings, there will still be a basic need for technical assistance personnel.

4.5 Summing Up

In sum, these evaluations present an image of Norwegian technical cooperation which do not differ from the overall image of the donor community. The problems and obstacles are more or less the same. *Local conditions* and *use of local resources* have been unsatisfactory take care of. *Training* has not produced the expected results because of lack of qualifications by the Norwegian personnel and lack of commitment by the local counterparts.

Analysis of the project cycles revealed weaknesses in *design* and *implementation*. Even though recipient orientation had been introduced as a core concept in Norwegian aid policy, the evaluations showed lack of *participation* by the recipient government and target groups during the project cycle.

Finally, the evaluations revealed that effectiveness is easier obtained in projects of technical nature than in projects aiming at institution-building.

5. PRESENT NORWEGIAN POLICY IN THE AREA OF TECHNICAL COOPERATION

5.1 Norwegian Policy at General Level

The assessment of concurrence with and divergence from Norwegian policy for technical cooperation at a general level in relation to the DAC Principles is based on recent policy documents.¹

The point of departure for the assessment is the performance indicators presented in 3.4. The DAC Principles address technical cooperation from an overall perspective comprising the goals of development, and from an operational angle with direct guidance to technical cooperation projects.

In the Government's White Paper to the Parliament on Norway's Cooperation with developing countries in 1992, technical cooperation is not dealt with as a separate instrument. In the Government's Annual Report to the Storting on Norwegian development cooperation in 1989, the objective of technical cooperation is defined as sustained capacity-building. Technical cooperation is performed and defined within the framework of overall policy guidelines.

The examination of Norwegian policy documents in relation to the DAC Principles can be described in the following points:

The *objectives* are in concurrence with the DAC Principles. Self-reliance and sustainability are the main objectives of Norwegian aid policy guiding both technical cooperation and capital assistance to long-term development. There is a strong emphasis on capacity-building, good governance and recipient responsibility. At the same time Norwegian aid policy is increasing the requirements through conditionalities on aid resources.

Recent policy documents include The Government's White Paper to the Storting on Norway's Cooperation with the developing countries in 1992, NORAD's strategies for bilateral development cooperation and The Norwegian Ministry of Foreign Affairs' Strategy Paper on Support for Democratic Development, 1993.

The *participatory approach* is well integrated in the overall aid profile through introduction of the partnership concept. Participation is seen as the instrument in order to promote recipient responsibility. Participation is not restricted to the relationship between the recipient government and Norwegian aid authorities. Participation is regarded essential in civil society in order to promote democracy.

A flexible approach in order to make allowances for *local conditions* is seen as necessary to promote development. According to Norwegian policy guidelines, the programme strategy should be formulated in cooperation with the partner country concerned and with due concern to local needs and conditions.

Comprehensiveness is included in the Norwegian aid profile through a strong emphasis on the programme approach as opposed to a project-by-project approach. Comprehensiveness means adherence to the development policy of the recipient country in question. Comprehensiveness is however restricted through the conditionalities on democracy and environment. According to the new strategy, Norway will support activities which enhance the recipients' capacity to plan and implement a policy that is sustainable. Lack of adherence to the DAC Principles can be detected with regard to the NaTCAP-process on institutional development. There are in fact no references to the NaTCAP in the Norwegian policy documents.¹

A *sectorial approach* is seen as necessary both with regard to obtaining a comprehensive programme approach and to concentrating on activities where Norway has specific qualifications.

Norway is supporting efforts to improve *coordination* of aid both by the World Bank and UNDP. Norwegian policy stresses the need to strengthen coordination at field level. Special emphasis is given to activities which aim at improving the capacity of the recipient to coordinate the donors which are providing technical cooperation in the country.

Norway has given due emphasis to all three arenas: public and private sector and civil society. *Civil society* support has been a main target for Norwegian aid in general. In the new aid profile the concept of civil society support is extended to new areas in order to promote democracy e.g. institutions which are

See 7.1

of importance in enhancing a critical opinion which act as to correct policy of the Government in concurrence with the needs and interests of the population as a whole. *Public sector* support is emphasized in order to enhance the capacity of the recipients to take responsibility for their own development and in the planning and implementation of specific activities. *Private sector* is given increased attention in the new aid profile. Support for private sector development includes governmental units responsible for establishing an environment conducive to private business, support to the strengthening of the dialogue between private and public sector and support to enterprises through joint ventures with Norwegian companies.

Institutional development is regarded as essential for capacity-building and self-reliance in the longer run. Institution-building should be an integral part of all aid activities and a free-standing priority area. The Norwegian aid profile regards institution-building as useful in the context of democratization. Cooperation in the form of twinning with Norwegian institutions is emphasized and expressed through the concept of the "Norwegian axis". This aims at activating a broader spectrum of Norwegian institutions with competence in different areas where the Norwegian partner countries are in need of technical cooperation. A specific strategy for institutional support has not yet been formulated.

Human resources development is emphasized in terms of education, training and strengthening of local research capacity.

Similar conclusions are drawn in the report "Capacity building in development cooperation: Towards Integration and Recipient responsibility" commissioned by the Ministry of Foreign Affairs in 1993. "The principles expressed in the recent Norwegian policy and strategy documents accord well with the current way of thinking in the international donor community."¹ The implications for Norwegian aid authorities are expressed as follows: "The new strategies demand new roles, for both recipients and donors with clear and realistic obligations. Transfer of responsibilities requires new follow-up measures and willingness to react when obligations are not met."²

The Norwegian Ministry of Foreign Affairs: Evaluation report 4.93. "Capacity-building in Development Cooperation: Towards Integration and Recipient responsibility." 1993

"ibid"

Three aspects of operational nature deserve to be elaborated on:

- New guidelines for technical assistance personnel.
- Institutional development.
- A sectorial programme approach.

5.1.1 New Guidelines for Technical Assistance Personnel.

NORAD has recently adopted new guidelines for technical assistance personnel.¹ Quality and cost-effectiveness are the two main concerns in the new guidelines. The overall objective of the provision of technical assistance personnel is to contribute in building competence and develop the institutions of the recipient country concerned.

The need for a flexible approach is stressed. Four models for recruitment and administration of technical assistance personnel are supposed to form the basis for a flexible approach.

- The *NORAD-model* implies that the development agency is responsible for recruitment and administration. This will give full control of quality to NORAD. However, the principle of recipient responsibility will not be given due concern. In order to deal with this weakness the responsibility for administration could be transferred to the recipient.
- The *institutional model* is the second alternative. Under this model the responsibility for recruitment and administration will be placed in the hands of Norwegian institutions. According to NORAD this model will enhance the possibility of paying greater attention to the needs of the recipient through the long-term nature of cooperation on institutional level.
- The *consultancy model* implies that recruitment and administration is dealt with by a consultancy company on contractual basis permanent or in specific cases.
- The *recipient model* is in full correspondence with the principle of recipient responsibility. Under this model both recruitment and administration will be performed by the recipient country concerned. The model will however require an appropriate level of administrative capacity in the recipient country concerned.

NORAD: "Retningslinjer for NORADs arbeid med personellbistand", Oslo 1994

On the basis of these four models, new guidelines for recruitment and management of technical assistance personnel are formulated in five points:

- The long-term objective is to transfer recruitment and administration of technical assistance personnel to the recipient country concerned.
- A flexible approach which take into account die different conditions in the recipient countries will be maintained.
- Cooperation with Norwegian institutions as the basis for provision of technical assistance personnel should be enhanced.
- The use of consultancy services should be restricted to tasks which can be clearly defined in scope and time.
- Cost-effectiveness should be included as criteria for selection of model in each case.

5.1.2 Institutional Development and the Norwegian "Axis"

The NORAD strategy states that a specific strategy on institutional development will be elaborated. Such a strategy is under preparation in NORAD. One first step towards increased attention to institutional support is the new profile in the use of Norwegian institutions in the development cooperation.¹

The new NORAD concept the Norwegian "axis" aims at activating other groups to participate in development cooperation. This will make it possible to draw on a broader spectrum of valuable experience, skills and resources. This is intended to increase the instrument of twinning. The type of organisations suitable for cooperation agreements are as follows; "public institutions and administrative bodies, non-governmental organisations and commercial enterprises". When institutions are selected the following criteria are stressed:

- Understanding of the current principles of Norwegian development cooperation.
- Sufficient professional expertise and staff capacity .
- Evidence of real interest and willingness to enter into binding cooperation.

The change towards institutional development is reflected in the Annual Report of NORAD on development cooperation in 1992. The degree of institutional

NORAD strategy: op.cit.

cooperation with Norwegian institutions is however not presented in a comprehensive manner. Some indications of the type of Norwegian institutions involved in development cooperation are given. These are presented in Table 10. The list is not restricted to Norwegian institutions working under twinning arrangements in the partner countries.

Country	Norwegian Institutions engaged in the Development Cooperation to Norwegian Partner Countries in 1992
BOT	<ul style="list-style-type: none"> • The Norwegian Directorate of Public Roads • The Norwegian Forestry Society
ZAM	<ul style="list-style-type: none"> • Brannoysund Register Centre • Det Norske Veritas
ZIM	<ul style="list-style-type: none"> • University of Oslo
TAN	<ul style="list-style-type: none"> • Chr. Michelsen Institute • University of Bergen • NORAGRIC • The Foundation for Scientific and Industrial Research (SINTEF) • University of Trondheim • Agder Regional College • Norwegian Directorate of Public Roads
MOS	<ul style="list-style-type: none"> • The Norwegian Maritime Directorate • Hydrographic Survey of Norway Division
NAM	<ul style="list-style-type: none"> • Norwegian Directorate of Fisheries • Norwegian Coast Guard • Norwegian Directorate of Fisheries. Institute of Marine Research. • Namibia Association of Norway • Ministry of Industry and Energy • Norwegian Petroleum Directorate • Norwegian Water Resources and Energy Administration • State Pollution Control Authorities.

Table 10: Examples of Norwegian institutions engaged in Norwegian development cooperation

5.1.3 Sectorial Programme Approach.

A sectorial programme approach is well integrated in Norwegian aid to partner countries in Sub-Saharan Africa. In Table 11, Norwegian bilateral cooperation with partner countries in Sub-Saharan Africa is presented. The table shows within which sectors Norway provides programme assistance. It furthermore shows that programme assistance as percentage of total bilateral aid varies between the partner countries from 41 in Botswana to 82 in Tanzania.

Coun-try	Total bilateral ODA, NOK mill	Per cent programme	Sectors
BOT	160	41	Rural Roads
			Health Agriculture Environment
ZAM	313	65	Rural Water Health
			Education Infrastructure
			Administration Environment
ZIM	171	52	Agriculture Water Health
TAN	510	82	Rural Health Family Education Energy
			Roads Environment
MOS	454	53	Rural Fisheries Health Coastal Transport Energy
NAM	77	81	Fisheries Education Energy

Table 11: Programme assistance in Norwegian partner countries in 1992.

5.2 Summing Up

Norwegian policy on technical cooperation has changed. The DAC Principles have been incorporated in the overall aid policy framework. Some of the DAC Principles formed the basis for Norwegian aid in advance of the consensus in OECD/DAC in 1991.

The profile has been sharpened recently with increased emphasis on recipient responsibility, capacity-building, partnership and institutional development. The need for reform of the public sector and the move towards a market economy are acknowledged within a framework where eradication of poverty and social sector support are dominant features in Norwegian aid policy.

Norwegian aid policy gives due emphasis to the need to adopt a flexible approach. Local needs and conditions in the recipient country should be taken into consideration when formulating country strategies.

Norwegian policy deviates however from the DAC Principles on the issue of institutional mapping in advance of selecting institutions. The lack of references to the NaTCAP as a vehicle should be rectified.

At country level, the assessment of policy is restricted to Tanzania and Botswana. Prior to the assessment of how the DAC Principles are implemented in the case of these two countries, a brief outlook of the conditions and need for technical cooperation in Norway's main cooperating partners in Africa is presented.

5.3 Norwegian Partner Countries in Sub-Saharan Africa - A Brief Outlook

Norwegian partner countries in Sub-Saharan Africa: Tanzania, Zambia, Botswana, Mozambique, Zimbabwe and Namibia are among the least developed countries in the world. Sub-Saharan Africa is going through a period of great political, social and economic change. The Governments are increasingly pursuing a uniform policy introducing the market economy and fostering private initiative. At the same time, though not at the same pace, there has been a

trend towards multiparty democracy and greater popular participation and openness in government.

These young democracies are vulnerable and face major threats. In order to contribute to the promotion of democracy, Norway has been supporting local and national organizations that can help to bolster popular participation. The Norwegian Volunteer Service and NGOs play a prominent role in this context. The economic situation of Sub-Saharan Africa as a whole has been difficult in recent years. Low growth and stagnation have been characterizing these countries.

The situation in 1992 is described as follows in Annual Report 1992 by NORAD: "The adverse economic situation, including low wages, have induced many young people such as doctors, teachers, engineers etc. in the poorest countries to move to South Africa and its close trading partners, Botswana, Lesotho, Namibia and Swaziland. It is difficult to predict whether this exodus will lessen in the coming years. If the poorest countries are unable to make it more attractive for their well-educated citizens to remain in the country, they will continue to suffer from a lack of qualified labour and management skills."¹ Furthermore it is emphasized that the lack of qualified personnel and weak organization that characterizes many of the countries will make it difficult to obtain positive results from development assistance.

5.3.1 Tanzania

The economic situation in *Tanzania* is serious. The Tanzanian economy has been unstable in recent years. The economic adjustment programme operated under the World Bank's "Economic and Social Action Programme" was finalized in 1992. There is an on-going process of privatization, in order to introduce a market-economy. Tanzania is also in the process of introducing a multi-party democracy. In 1992 the country adopted a new constitution which provides for the introduction of a multi-party system.

Despite a huge infusion of development assistance for more than 40 years, aid dependency has not been reduced. The high level of aid dependency and substantial donor presence in Tanzania has overloaded the government

administration. The flight of high qualified personnel from public sector reinforces the problem.

The weak institutional capacity and the huge number of donors pose a major challenge for aid coordination. In recent years, the authorities have been in the process of improving the mechanisms of coordination. The need for technical assistance is defined as high.

5.3.2 Zambia

A multi-party system was introduced in *Zambia* in connection with the general elections held in 1991. The economic situation is difficult. The country is undergoing a process of economic reform in cooperation with the World Bank. The objective is to replace the state-controlled economic system with a market economy. Great demands have been placed on the public administration system. Reforms in public administration and the Civil Service are the main elements of the programme. The need to strengthen administrative skills in accordance with the new political and economic systems is very great. The need for technical cooperation is also great.

5.3.3 Botswana

Ever since *Botswana* became independent in 1966, the country has had a multiparty-government and the internal political situation has remained stable. The economic situation in Botswana is good. Public administration in Botswana functions well. On the whole the country is capable of following up national development plans. However, at district level there is still a lack of qualified personnel, which has often caused delays in the implementation of adopted programmes.

Norwegian technical assistance to Botswana has mainly been provided within the roads and health sector. According to NORAD there is still a great need for this type of assistance in the years to come. The Volunteer Service has played a significant role in Norwegian aid. Human resource development in the health, road and rural development sector have been priority areas.

5.3.4 Mozambique

The main challenge in *Mozambique* is the on-going moves towards peace. The country has suffered from major social and economic set-backs due to the war. Public administration in *Mozambique* reflects the country's scarce economic resources and low level of education. The administration had been further weakened by a large scale flight of qualified manpower to private enterprises and to development cooperation projects. Weak administrative capacity is a major barrier to the country's ability to make independent plans, set priorities and to implement tasks. The need for technical assistance in *Mozambique* can be characterized as high.

5.3.5 Zimbabwe

Development in *Zimbabwe* is positive with regard to the political and economic framework. However, the severe drought which struck the whole of Sub-Saharan Africa in 1992 caused the country enormous economic problems. The heavy burden placed on the authorities of administering large scale imports and internal distribution of food supplies in connection with the drought, revealed weaknesses in the administrative apparatus.

The adjustment programme for 1991-95 emphasizes reforms in government administration and Civil Service. A major objective is to increase the efficiency of central government administration. Technical cooperation needs could be characterized as medium.

5.3.6 Namibia

Namibia gained its independence in 1990. Until independence *Namibia* was largely administrated from Pretoria as a province of South Africa. The public administration in Windhoek had therefore little experience of national planning. Major efforts have been undertaken to build up administrative capacity in the central planning institutions. The economic base in *Namibia* is however sound with good prospects for the future. The democratic multiparty system established at independence functions well in an African context.

5.3.7 Additional Indicators

Despite differences in economic and political circumstances, all countries are in need of technical cooperation. The figures presented below confirm this image. The figures do not include Namibia. Data is not available due to the late independence of Namibia. In Table 12 the development of technical cooperation grants is presented. In nominal terms, Tanzania has been the main recipient of technical cooperation from 1970 and to 1989. Sweden, Netherlands and Germany are the main sources. The increase in technical cooperation has been substantial during the 1980s in all countries.

Partner Countries/Years	1970	1980	1989
Tanzania	21.3	176.2	199.1
Zambia	13.2	86.8	124.3
Botswana	2.5	47.5	57.7
Mozambique	0.0	37.8	89.2
Zimbabwe	0.7	70.2	96.9
Namibia	—	—	—

Table 12: Total technical cooperation grants in million USD

There is little connection between technical cooperation disbursements and the level of development and relative need for technical cooperation. This conclusion can be seen for the Norwegian partner countries when technical cooperation per capita is compared to the level of development in terms of **GDP** per capita as presented in Table 13. The highest level of technical cooperation per capita corresponds to the highest **GDP** per capita, represented by Botswana. The opposite situation is revealed in the case of Mozambique and Tanzania which rate low both in terms of technical cooperation and GDP.

Partner countries	DA as per cent of GNP 1992	TC per capita 1992	GDP per capita 1992
Botswana	8	47	2.500 •
Zambia	14	16	390
Zimbabwe	6	10	650
Tanzania	40	8	120
Mozambique	98	6	80
Namibia	—		—

Table 13: Technical cooperation per capita in relation to GNP per capita.

The need for technical cooperation could be measured by a number of indicators. In Table 14 indicators on literacy, education as per cent of GNP, enrolment ratios at primary and secondary level and higher education as per cent of all levels, are presented.

Indicators	Adult Literacy Rate 1990	Combined Primary and Secondary Enrolment Ratio 1988	Education as per cent of GNP 1988-90	Higher education as per cent of all levels 1987-90
Botswana	74	88	5.6	20
Zambia	73	67	2.9	17
Zimbabwe	67	88	8.2	8
Tanzania	~	40	5.8	17
Mozambique	33	32	~	
Namibia	~	72	~	33

Table 14: UNDP figures on literacy and education

5.3.8 Summing Up

On the basis of the description of the political and economic circumstances and the indicators on efforts made by Governments in education and the amount of technical cooperation in the countries concerned, we can rank the countries on the need for technical cooperation as presented in Table 15.

	Level of qualified personnel	Brain Drain	Institutional Capacity	The Need for Co-ordination	Need for TC
BOT	High	Low	High	Low	Low
ZAM	Medium	Medium	Low	Medium	Medium
ZIM	High	Low	Medium	Low	Medium
TAN	Medium	High	Low	High	High
MOS	Low	High	Low	High	High
NAM	High	?	Medium	?	Medium

Table 15: Illustration of the need for technical cooperation

Table 15 presents both Tanzania and Mozambique as countries in great need of technical cooperation. The challenge in Tanzania are caused by the weak institutional capacity combined with a flight of qualified personnel from public sector. In addition the coordination challenge is high due to the number of donor present in the country. The need for technical cooperation in Mozambique is high. The long period of war has weakened the country on all indicators.

Zambia, Zimbabwe and Namibia are all ranged as medium on the need for technical cooperation. This is caused by different factors. Zambia is scoring high on higher education as per cent of all levels and the adult literacy rate is high. The process going on in Zambia both at political and economic level is posing new demand on the administration. This indicates a higher need for technical cooperation in order to manage the transitional phase.

The need for technical cooperation in Namibia is characterized as medium. Most of the indicators are pointing in the direction of a low need for technical cooperation. Both the economic and political situation are relatively good. The reason why Namibia is ranked as medium, is due to the institutional challenges facing the country after independence.

Zimbabwe is ranked as medium. The drought situation has revealed institutional weaknesses in planning, implementation and monitoring which has to be taken into consideration. The framework under which technical cooperation function, should be characterized as good in Zimbabwe. It is however surprising to note the low level of higher education as per cent of all levels.

Botswana is the only country where the need for technical cooperation is characterized as low. This does not mean that there is no need for advice from abroad. Botswana is still in need for experts in areas like health. Furthermore the need for technical cooperation in the form of institutional cooperation is underlined by the Botswana authorities.

The indicators presented on the need for technical cooperation and the administrative capacity of absorbing technical cooperation show that there is a need for a flexible approach.

5.4 Case Botswana and Tanzania

The review of Norwegian technical cooperation in Botswana and Tanzania is based upon country strategies and programme documents.¹ Norwegian policy guiding the management and operation of technical cooperation in the two countries concerned is measured against the set of indicators derived from the DAC Principles.

Tanzania: "Landprogram 1994" and "Agreed Minutes country programme review", 1993.
Botswana: "Landstrategi, Norsk bistandssamarbeid med Botswana 1994-96", 1993,
"Utkast til Samarbeidsprogram mellom Botswana og Norge 1994-1996" and Agreed Minutes of the 1992 Botswana/Norway consultations"

5.5 Botswana

5.5.1 The Environment for Technical Cooperation

Economic growth and improvement of social conditions have been impressive in Botswana since independence in 1966. The level of institutional capacity is high compared with other African recipients of aid. Institutional capacity is reflected in a well-functioning public sector. Total aid to Botswana has amounted to an average of 5-6 per cent of GDP in recent years. In 1987 the level reached 10 per cent. Measured in terms of aid per capita, Botswana has been a major recipient of development cooperation in form of financial and technical assistance. The amount of technical cooperation in percentage terms of total ODA to Botswana has been considerable.

A solid economic base, a high percentage of aid per capita, a low level of aid dependency in the total economy, a well-functioning public sector able to coordinate the donors and a high share of technical cooperation in relation to total ODA presents an image of a country in which it is reasonable to assume that technical cooperation is characterized by a higher degree of absorption than elsewhere in Africa.

The rationale for donor presence in Botswana has been reduced because of political developments in South Africa. Even though financial performance is good and foreign exchange levels provide a solid base, there is still need for technical cooperation within several areas.

5.5.2 Norwegian Development Cooperation in Botswana

At present, development cooperation between Norway and Botswana operates on a transitional basis. Norwegian aid has been present since 1972, through technical and financial assistance, mainly in the sectors of health, roads, district development and telecommunications. In the country programme negotiations between Botswana and Norway in 1991, it was agreed to initiate a process of reviewing experience and to consider possible future strategies of cooperation. The renewal of the cooperation was motivated by two main factors; the significant changes in the geopolitical situation in Southern Africa and the economic performance of Botswana.

The main challenge to be addressed in the transitional period is to create a solid foundation for institutional cooperation and capacity-building. The new approach addresses a wider range of areas. As the "old" areas are to be transformed and replaced by a collaborative model, the new approach also seeks to widen the range of areas to include public, private and civil institutions.

5.5.3 The Degree of Concurrence with DAC Principles

Objectives

The objectives set for the transitional period are in accordance with the new approach. In addition, to secure future momentum in areas where Norway has been an active partner, the objective is to prepare for cooperation based on mutual dependence and to secure self-reliance in the long term.

The objective of laying the foundation for long-term cooperation which is not dependent on development assistance funding, focusses primarily on strengthening of institutions and competence. Measures to facilitate institutional cooperation are presented as the most important challenge in development cooperation in the coming period. '

Participatory Development

The partnership concept is reflected in the formulation of country strategies and in programme documents in terms of active involvement by the recipient government. The partnership concept is introduced. Long-term goal of self-reliance in financial terms and in the area of technical cooperation are stressed.

An operational check on the degree of concurrence of new trends with recipient responsibility could be to look at the identification phase of renewed cooperation. The study report commissioned jointly by the Ministry of Finance and Development Planning and NORAD, undertaken by the University of Botswana on needs and options for future areas of cooperation, indicates a willingness to involve Botswana in the design of the new programme of cooperation. The ensuing process resulted in a new strategy adopted in 1993 covering the period 1994-96.

Recipient responsibility has been accounted for in the formulation of a new strategy for cooperation. The involvement of the recipient in the transition process has also been taken care of in a satisfactory manner. The adherence to the needs and requests of the Government has been fulfilled.

Local Conditions

The assessment of the relevant socio-cultural and economic environment is well accounted for. The institutional environment is not addressed in the same way. Assessed in relation to the DAC Principles, more work should be performed in mapping institutions.

The political environment is appropriately addressed nationally and in a regional context with special reference to the development in South-Africa.

An assessment of the project level is not included in the Terms of Reference. However, local participation in the project cycles is, in the opinion of NORAD, accounted for in Botswana. In the case of politically sensitive projects like the Remote Area Dwellers programme (RAD), the question of participation should be elaborated on both sides with respect to government participation and participation from the target group/beneficiaries.

Comprehensiveness

The national development plan (NDP 7) acts as a clear point of departure for the formulation of the country strategy and for the programme document for Norwegian cooperation with Botswana. The strategy and the operational guidelines give clear recommendations on the commitment to apply to those activities which are part of recipient national investment programmes in different sectors.

Technical cooperation will be strengthened in the future. To achieve the objective of independent, long-term cooperation, effort will be based on the Botswana authorities' own evaluation of the relevance of Norwegian expertise in a range of fields that is broader than traditional development cooperation areas. It is likely that the establishment of such cooperation will require development cooperation financing during an initial phase.

Sectorial Approach

There is a clear sectorial approach in the country strategy. Norwegian assistance is targeted towards health, roads, remote area dwellers and resource management. The amount and form of technical cooperation differ between the sectors.

The traditional technical assistance in the road sector will be gradually reduced in line with Botswana's own plan for training and localisation. Further technical cooperation will preferably take place within the framework of institution-building. The experience of local replacement in the road sector is characterized as satisfactory.

The current acute shortage of skilled manpower in the health sector gives a different picture. Traditional technical assistance has been continued as part of the capacity building process. In addition cooperation will continue within the framework of institutional cooperation with a special focus on capacity-building.

Industrial cooperation and energy are sectors that will be given priority in the years to come.

Coordination

The question of coordination is not at stake in Botswana. The country has probably the best-managed technical cooperation inflow in all of Sub-Saharan Africa. The coordination of the donor community is the responsibility of The Ministry of Finance and Development Planning. The capacity to coordinate is satisfactory and coordination problem is not comparable to other countries in the region because of the low degree of aid dependency.

Arenas

Support to the public sector is implemented on sectorial basis and includes the health sector, roads and environment. A special form of support is given to regional development through the Remote Area Development Programme. The RAD-programme represents decentralisation to district level.

The question of recipient responsibility in design and implementation of the RAD-programme is of interest. This is one of the areas where different policy views converge. The beneficiary group more or less lacks the ability to

articulate their needs and the international community promotes different points of view. Within this context it is not easy to measure recipient responsibility.

With reference to the NDP 7's objective of diversification of the economic base, the policy guidelines include stronger emphasis on institutional cooperation in the private sector. A study of possible joint ventures is to be carried out. Private sector support in Botswana has been discussed mostly in form of commercial credits. Demands for technical cooperation have not been included to the same degree at this arena.

Civil society support is not included in the country programme. The NGO support amounted to 11.5 per cent of total bilateral aid in 1993. The number of local organisations in Botswana is low.

Institutional Development

Institutional cooperation is regarded as the main instrument in the renewed cooperation. The DAC Principle on institutional development recommends avoiding gap-filling of competence and parallel structures. Twinning arrangements are recommended. Parallel structures are not needed in Botswana. Norwegian development cooperation should be implemented through existing structures.

The system of gap-filling has however long been used in Botswana. Gap-filling is part of a deliberate policy in Botswana where priority has been given to certain professions, important for private sector diversification and public administration. Less emphasis has been given to medical expertise where personnel are recruited from neighbouring countries or through Norwegian support to the health sector.

Twinning is part of the new strategy. Twinning has been sought in response to needs expressed by Botswana e.g.:

- Central Bureau of Statistics
- Norwegian Central Bank
- Norwegian Parliament Ombudsmann for Public Administration
- Norwegian Productivity Institute '

This institute does not exist.

- Organisations in the business and industrial sector
- Norwegian Institute for Water Research
- Norwegian State Forest Society ' '

As far as can be seen from the material, the training component functions satisfactorily in sectors where Botswana gives replacement priority. Local resources are used when they are available in Botswana. Reporting on projects works in accordance with the principles and interaction between the projects and the responsible units in Botswana is good.

Human Resource Development

Research is one of the areas that will be given increased attention in the years ahead. Natural resource management is given priority.

5.5.4 Summing Up

When Norwegian performance in Botswana is addressed at policy level, the results are concurrent with the DAC Principles. The renewal of cooperation with Botswana is moving in the right direction. Self-reliance is stressed as the long-term objective. However, the move towards institutional cooperation is slow, though with a clear adherence to the DAC Principles by involving the recipient in the initial stages. The mapping of the whole range of institutions is not satisfactory. Lack of adherence to national policy is seen in the context of the RAD-programme.

5.6 Tanzania

5.6.1 The Environment for Technical Cooperation

Tanzania is in the process of transition towards a market economy as well as a political transition towards multi-party democracy. Tanzania is one of the main recipients of capital and technical cooperation in Africa. The share of external aid in the Government budget reached 60 per cent in 1988/89. The share of technical cooperation resources in the total aid flow has increased from 26.9 per cent in 1980-85 period to 32.5 per cent in 1989 or USD 293 million. The provision of technical cooperation has suffered from several shortcomings,

This list has been produced by Botswana.

which has been identified by the Government and UNDP during the NatCAP exercise. This is now to be corrected by the Government and the donors through a joint effort.

In an article in the Journal of the Society for International Development entitled "A future for UN Aid and Technical Assistance", a high ranking official of UNICEF presents the following picture of technical cooperation in Tanzania in figures. "In Tanzania, for example, the total cost of technical assistance in 1988 was some USD 300 million, of which at least USD 200 million represented the salaries, per diems, housing allowances, air travel and other direct costs of the 1,000 or so international experts provided as the core of technical assistance. In contrast, the total salary cost of the whole civil service in Tanzania in the same year, including administrators, clerical staff, teachers and health workers, was USD 100 million."¹

In a case-study on technical cooperation in Tanzania commissioned by DANIDA, reference is made to the Technical Cooperation Policy Draft Paper where it is stressed that technical cooperation must be more cost-effective and should correspond more closely with the development strategy and priority programmes of the Government.² The need for coherence and coordination is underlined to avoid duplication. Technical cooperation should ensure capacity and institution building on a sustainable basis. On the basis of this paper a joint working group of donors and Government representatives have prepared Technical Cooperation Policy Guidelines in January 1993. The following aspects are stressed in the two papers:

- Candidates who are judged to be equal in quality and preference should be selected from firms or individuals from Tanzania, Sub-Saharan Africa or others nationalities in that order.
- Private sector agencies and NGOs should specify their own needs for technical cooperation and consult with the Government and the donors on how to meet the needs.
- The possibility using short term advisers rather than resident experts should be tried out with a view to reducing gap-filling.

Berg: "Rethinking Technical Cooperation" op.cit.

DANIDA: National Advisor Programmes, Technical Cooperation. "A Review of the Possibilities of Strengthening and Increasing the Participation of National Advisors", 1993.

- The old ineffective system of individual counterparts will be replaced by a team of national counterparts functioning as a group within the national institution.
- The use of national consulting firms will be encouraged through technical cooperation projects.

The next step in the NaTCAP exercise is the elaboration of a Technical Cooperation Programme in six sectors; human resources, agriculture, industry, natural resources, social services including health and education and economic services. The Danish report characterizes the NaTCAP exercise as "embryonic as policy instrument but useful in the light of providing an overview of Government policy and existing technical cooperation activities".¹ The task still remains to make this exercise felt in the day-to-day formulation and implementation of technical cooperation activities as well as in future programming.

5.6.2 Norwegian Development Cooperation in Tanzania

The principal aim of Norwegian development cooperation in Tanzania is to contribute to the economic reform programme with particular emphasis on strengthening production capacity and Civil Service reform. Work on a new country strategy is under way. The new strategy will be based upon proposals from the Government of Tanzania to strengthen the sectorial approach and to improve aid coordination. Tanzania will continue to be one of the main partners in Norwegian development cooperation.

5.6.3 The Degree of Concurrence with DAC Principles

Objectives

Self-reliance is not expressed as a long-term objective in Norwegian development cooperation with Tanzania. The aspect of sustainability is, however, underlined in terms of environmental issues, financial resources available, as well as the institutional capacity to implement and manage project and programme activities.

The country programme includes 30 activities within 8 priority areas. The distribution of Norwegian aid is referred to as a burden on their capacity; inter

alia, reducing the capacity of Tanzania to design and implement projects. Poor management capacity is a challenge to the balance between increased recipient responsibility and effectiveness and performance. Experience shows that pipeline problems in disbursement have been given priority at the expense of long-term development of recipient responsibility.

Participatory Development

The partnership concept is introduced. The draft country strategy is prepared by the Ministry of Foreign Affairs in cooperation with NORAD and the authorities in Tanzania. The strategy when finalized will provide the main basis for dialogue. Concrete strategies and activities are defined in cooperation between the partners.

At project level there is reason to ask whether it is possible in a country like Tanzania to adhere fully to the principle of the recipient as initiator and implementor. Previous evaluations show a poor image of Norwegian performance with regard to participation from the government and the use of local resources. The material available does not give the answer to the question as to how participation has increased as a follow-up to the DAC-Principles.

Local Conditions

On an overall level, the country programming process includes an adequate assessment of the political, economic and social circumstances. In this respect the DAC Principle is taken into account. As in the case of Botswana, the mapping of the whole range of institutions is not satisfactory.

Comprehensiveness

Norwegian aid is provided within the framework of the Economic Restructuring Programme with special emphasis on Special Programme for Africa (SPA). In the course of the Programme Review in March 1993, the need to include aid flows in the Rolling Plan and Forward Budget as a basis for more efficient planning and utilization of available resources was emphasized. This would, in the opinion of NORAD, ensure that aid-funded projects reflected the priority of the Government.

Environmental and gender issues in the overall cooperation programme are ambitious and go beyond the priorities of the Tanzanian Government. Environment is an issue presented by the donors. Although the reasons are acceptable, and in accordance with the Agenda 21 process, this is in essence a donor driven process.¹ In the country programme, assistance to capacity-building is emphasized. Initiatives to integrate women often come from NORAD and are to a lesser degree part of the policy thinking in Tanzania. Recipient responsibility at overall level is taken care of as long as the policy is acceptable to the objectives and conditions for Norwegian aid.

Sectorial Approach

A NaTCAP process is under way in Tanzania. There are no references to NaTCAP as such in the programme documents. The sector programme approach replacing individual projects was underlined in the 1993 consultation. Sectorial support will be given priority in order to increase coordination and management of resources. The following sectors are included in the country programme; energy, rural development, natural resources, roads, education and health. In the case of energy, the scope of Norwegian participation in alternative sources of energy will be assessed jointly. Sector coordination is well under way within the road sector. Within education the need for an integrated sector policy has been underlined by both Tanzania and by Norway. An integrated plan for the health sector is under way.

Coordination

According to the country programme, the Government of Tanzania is regarded as the legitimate coordinator of aid programmes in Tanzania. Norway has committed itself to take into account the Aid Coordination Strategy Paper introduced by the Government when finalized as the basis for the country strategy review. References to the coordination effort from the Government are made on sectorial basis. According to NORAD, the role of the World Bank is prominent in Tanzania. The role of UNDP is characterized as minor.

¹The Agenda 21 was endorsed at the Rio UNCED Conference in 1992.

Arenas

In a study on Civil Service reform in Tanzania conducted by the University of Dar-es-Salaam, the problem of brain drain is addressed.¹ Poor performance by the public sector has largely arisen from the inability of the Government to remunerate public sector employees according to actual living costs. The result has been low productivity and a brain drain.

The study presents a four-pronged integrated strategy including a) improving organisational forms and processes for efficient management of the public sector, b) strict enforcement of laid-down government procedures, c) financial regulations and discipline which will lead to better accountability and reducing the public sector to a manageable size according to available resources, and d) realistic pay for public sector employees.

The study furthermore recommends a more cautious and careful approach with regard to donor organisations topping-up of civil service employee salaries. Donors should increasingly make use of Tanzanian advisers in donor-financed programmes and projects.

In 1993, NORAD presented proposals for the revision of the legal framework and activities to prepare for local elections. The ideas for these activities originated with NORAD, and hence were not in concurrence with DAC Principles. According to the country programme, Norwegian aid may support activities to create a conducive environment for private sector development rather than providing direct support to individual private companies. Support to institutions implementing policies and promoting the private sector has been considered.

As regards civil society, Norway has taken an initiative for a dialogue with the Government in order to ensure a more coordinated effort in the utilization of the Norwegian Volunteer Service as well as funds available to the NGOs. In the context of democratization, Norway is prepared to consider support for this process if the need arises.

University of Dar Es Salaam: "A study on civil service reforms in Tanzania with reference to the brain drain problem". 1991.

In the country programme, NORAD proposes a more active support for private organizations working for human rights and political rights in connection with the forthcoming elections.

Institutional Development

Traditional technical cooperation is reduced. The amount of technical assistance personnel decreased from around 100 in mid-1980s to 16 in 1993. This form of technical cooperation is to some degree replaced by institutional cooperation and consultant contracts. The country programme for 1994 reflects the objective of increased emphasis on institutional development. The main bulk of institutional cooperation at present has developed within the area of research and analytical capacity, comprising for example, the University of Dar es Salaam, the Institute of Development Management (IDM) and the Sokoine University of Agriculture. These are professional networks which work well. Twinning between public agencies is limited.

Parallel structures in the form of project management units have been more or less phased out. Even rural programmes are better integrated into the overall structure. The transfer of authority is restricted to management of day-to-day operations, while financial control is still in the hands of NORAD. The fear of corruption has to be taken into consideration. The main problem here is the lack of new ways of how to control the use of aid resources, while authority is transferred in order to fulfil the principle of recipient responsibility. There is the fear of a vacuum without sufficient control systems.

With regard to gap-filling in Tanzania, recruitment to core functions has been more or less abolished. Gap-filling due to previous recruitment procedures is, however, still present. Gap-filling to core positions has been reduced, while the process has been slower with regard to gap-filling in positions of a more technical nature. Two problems are pinpointed. Qualifications of experts to train locals are poor with regard to training and short-term objectives are given priority instead of long-term capacity-building.

If transfer of expertise is successful, brain drain problems will be increased. The brain drain to other countries in the region, to the private sector and to donor projects is taking place. The extent of the AIDS epidemic is also regarded a main barrier to capacity-building. Within training, there is a need to establish

a back-up system which can assist technical personnel who lack training qualifications.

Human resource development

Human resource development is emphasized in the programme document and in the draft strategy.

5.6.4 Summing Up

The objective of self-reliance in the long run is not clearly expressed. However, the concept of recipient responsibility has been integrated in a satisfactory manner. The move towards institutional cooperation has been acting slowly. Institutional capacity in Tanzania itself has to be taken into consideration. Sectorial approach and comprehensiveness have been implemented as far as sector plans are concerned. In order to draw precise conclusions on the involvement of the recipient and target group, the project level has to be analyzed. Replacement of experts by local personnel and the use of local resources do not seem to have made great progress.

5.7 The Need for a Flexible Approach

The reviews of Tanzania and Botswana indicate that the will to implement the new profile in Norwegian development cooperation is present. The unequal level of development in institutional development and capacity provides different terms for putting the principles into practice. The need for technical cooperation in Tanzania is no doubt high, while the absorptive capacity is low. The reverse is the case in Botswana.

In the case studies of Tanzania and Botswana, a picture of two radically different countries is revealed. The two countries differ with regard to the need for technical cooperation and the absorptive capacity. Looking at Norwegian performance in the two countries, the effectiveness in terms of local replacement is better in Botswana than in Tanzania. However looking at different sectors in Botswana, performance is dependent on the willingness of the recipient to devote resources to the sector in question. This background of different records in the road- and healthsector, points to the fact that the mentality and priorities of the recipient are crucial factors. Even though there

is capacity to benefit from technical cooperation, there is no guarantee of success if the priorities of the recipient do not correspond.

The opposite picture emerges in Tanzania. A great need for technical cooperation, low absorptive capacity and a slow rate of local replacement are characteristics of Tanzania. Previous evaluations show that the record of Norwegian technical cooperation in Tanzania has been poor. Replacement of locals and utilization of local resources has not been conducted in a satisfactory way. Transfer of managerial control has not taken place in a satisfactory way and self-reliance has not been a long term goal.

Contrasting images of Botswana and Tanzania support the thesis of the World Bank that the countries in most need of technical cooperation are the least able to absorb or to make use of it in a sustainable way. The answer of Elliot Berg to this paradox is to address the profound nature of the relation between donor and recipient.¹ This is one of the key issues discussed in 7.1. The contrasting images of Botswana and Tanzania are illustrated in Figure 4 and 5.

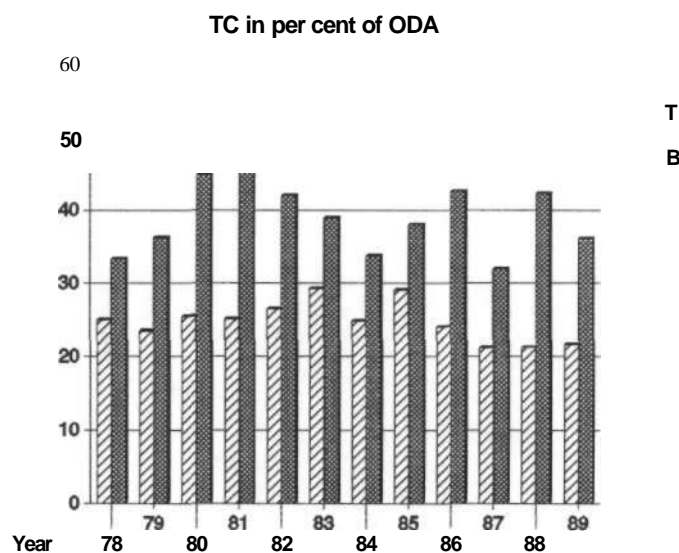


Figure 4: Technical cooperation in per cent of ODA in Tanzania and Botswana

Berg: "Rethinking Technical Cooperation" "op.cit."

Measured in terms of ODA, Figure 4 shows that the share of technical cooperation in Botswana is higher than in Tanzania. The picture is reinforced when we compare this to the size of the population. In Figure 5 technical cooperation per capita is shown.

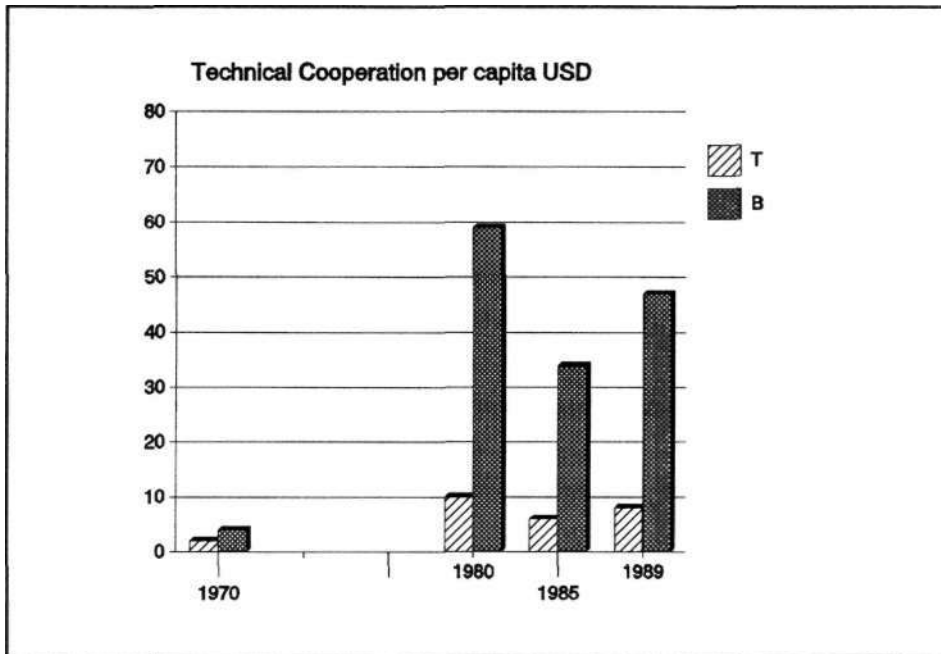


Figure 5: Technical Cooperation per capita in Tanzania and Botswana

6. THE NORDIC AND THE EU RESPONSE TO TECHNICAL COOPERATION

6.1 Sweden

6.1.1 Overall Aid Profile in Brief

The Swedish strategy for development cooperation operates as a package approach integrating three aspects; policy advice, macro-economic support and institution development/capacity building. The promotion of good governance is in the opinion of Sweden best furthered through positive mechanisms. The present policy goes beyond the formal strategy which dates back to the late 1980s. Additional elements were incorporated by the new Government in 1991, emphasizing the market economy and highlighting the debate on the balance between state and market forces and how this will influence bilateral aid. ¹

The prevalent view of the state as the principal motor behind socio-economic development has been replaced by the recognition of the need for a well-functioning state. The results of the work on this theme have been presented in "State and Market".²

6.1.2 Incorporation of DAC Principles

Recipient responsibility and participatory development are stressed. Capacity building should be addressed from the recipient point of view. Sweden argues for a bottom-up approach when addressing capacity-building and institution-development. The individual is placed in the centre of development. The surrounding circles include the organizations which in next phase are influenced by the societal environment. The model argues for a logical distinction between human resources and organizational framework. The impact of human resource development will depend on the overall structure of the organizations in which competence should produce results. Competence development is characterized

Information from The Swedish Ministry of Foreign Affairs.

SIDA: "Redefining the Role of the State and the Market in the Development Process", 1993.

as an important objective of Swedish development cooperation. This is reflected in SIDA's support for education and training and extensive support for in-service training programmes in other sectors. There has been a shift in emphasis from competence building as transfer of knowledge between individuals towards transfer of competence on the basis of cooperation between institutions.

Sweden is concerned about the roles and relations between donors and recipients, and is of the opinion that implementation has a tendency to fall more and more in the hands of donor agencies. Responsibility for implementation should rest with the developing country concerned. Participation by the recipient in the planning and evaluation process should be increased.¹

As far as ownership in the formulation of programmes is concerned, SIDA operates with a three stage model as follows:

- Interviews (by an external consultant) with those concerned on their knowledge, experience and visions
- Workshop with those concerned to discuss the findings with a consultant as facilitator
- Translate the discussion into concrete proposals and design of a programme to be presented to the donors.

The sectorial approach is followed. Sweden argues that sector studies should be expanded to the legal area in order to achieve good governance.

Sweden advocates the role of UNDP as facilitator for technical cooperation. More attention should in the opinion of Sweden, be given to the information available in the NaTCAP.

6.2 Finland

6.2.1 Overall Aid Profile in Brief

Revised guidelines and strategic goals for Finnish development cooperation were adopted in 1993. The economic recession in Finland has given impetus to a quest for effectiveness and reexamination of mechanisms. Sustainable development can only be obtained on condition that the recipient assumes responsibility and that the nature of external support is clearly expressed as supplementary and time-bound. Development cooperation should be regarded and formulated as an integral part of coherent policy areas with special attention to trade policy. In this respect Finland argues for a long-term interchange within areas that go beyond development cooperation.¹

6.2.2 Incorporation of DAC Principles

Technical cooperation as a means to enhance capacity, has received increased attention at the start of the 1990s. In 1990-91 in average, technical cooperation from Finland amounted to 21.5 per cent of bilateral ODA.

The programme approach is given strong emphasis in the new aid profile. Public sector support is stressed with priority to capacity-building in order to improve implementation of economic and social reform with accountability and law and order as main premises.

Private sector development is regarded important with special attention to small businesses in rural areas. Education and legal system are singled out as priority areas in developing an environment conducive to private sector initiative. There is a growing awareness of environmental impact of private business.

The need for increased aid coordination is stressed. Special reference is made to SPA at policy level. The need for improvement in aid coordination at field level is furthermore emphasized. Aid coordination at field level should be performed on a sectorial basis. Sectorial ministries should be included in design and implementation.

FINNIDA: "Finland's Development Assistance 1992. Annual Report", 1993

Finland expresses reservations to the role of UNDP as coordinator on field level. NaTCAPs is restricted to guidelines and is not operational for specific cases. On institutional development, reservations as to twinning as mechanisms are expressed. Twinning is best suited as mechanism when both parties have genuine interests in the cooperation and the benefits are of mutual nature. Professional networking without institutional back-up and financial resources from the aid agencies, is the best point of departure for a long-lasting interchange.

Democracy is highlighted in the new aid profile. The role of NGOs as providers of aid in general and technical cooperation is given increased attention as to promote democracy. Finland is concerned that participatory development should include beneficiaries at all levels of the project cycle.¹

In the view of Finland, work remains to be done in the field of impact analysis. The methodologies have not been appropriate to reveal the real problems in some of the project evaluations.²

6.3 Denmark

6.3.1 Overall Aid Profile

A revised strategy for development cooperation was endorsed by "Folketinget" (the Parliament) on March 22, 1994. The overall objectives are not changed, but the profile and the use of mechanisms due to changing conditions at international and national level are revised.³

The need for partnership, recipient responsibility and capacity-building is stressed. Local problems with regional and global perspectives should be given due consideration. Flexibility to take account of changing circumstances is needed. The integrated approach meaning coherence to other policy areas e.g. human rights, democracy, environment, international trade is stressed.

FINNAGRO: "Participatory Rural Appraisal. Report from a PRA course in Mtwara" 1993

Information from FINNIDA.

Utenrigsministeriet, DANIDA: "En verden i udvikling. Strategi for dansk udviklingspolitik frem mod år 2000." 1994

6.3.2 Incorporation of DAC Principles

Recipient responsibility and partnership are highlighted as important principles. The need of the recipient should be taken into account to a larger degree in the planning process. Capacity-building and institutional development are stressed. Strong emphasis is given to the strengthening of administrative capacity and improved audit systems. The need to concentrate aid is underlined. Danish development cooperation has been and still is spread to large number of partner countries. The need for concentration and a programme approach is stressed.

Private sector development should be strengthened. Support to private sector should include a wide spectrum of institutions. The new profile argues for increased aid coordination at field level. The responsibility for coordination should rest with the recipient.

Technical assistance personnel has played an important role in technical cooperation. The guidelines have been revised with stronger emphasis on short-term consultants and local personnel.

On the question of the European Union, Denmark stresses the need for a more coherent policy, inter alia coordination and integration with other policy areas in EU. Denmark emphasizes the following aspects in aid policy from EU:¹

- Alleviation of poverty should be the principal objective.
- Africa should be the main recipient.
- Coherence to trade policy should be increased.
- Administrative procedures through mid-term review of Lome Convention should be strengthened.
- Complementarity between EU and national aid is stressed.

6.4 The European Union

The Treaty on European Union signed in Maastricht on February 7, 1992, the competence of the EU in development policies is strengthened. Article C provides the legal basis for coordinating actions in the field of development cooperation.¹ In areas like development policies which do not fall within the exclusive competence of Union "the community shall take action, in accordance with the principle of subsidiarity, only if and in so far as the objectives of the proposed actions cannot be sufficiently achieved by the Member States and can therefore, by reason of the scale or effects of the proposed actions, be better achieved by the Community."²

At present there is a minor amount of aid resources from member states which is coordinated through the EU. EU financing as share of the national aid budgets varies between the member states. The cofinancing of projects has however increased recently. A proposal on pilot projects to coordinate member states' bilateral activities in three countries has been tabled and will be discussed in the near future. Coordination could be easier to accept by the member states if more authority is delegated to the country level. The resistance against coordination is directed towards the institutions of Brussels.

The Lome IV Convention is the main instrument of coordinating aid from EU at present. The Lome IV runs from 1990-2000. A mid-term review will be conducted this spring. In the preparation of the mid-term review the following aspects in the area of technical cooperation are considered:

- Delegation of powers to the national Authorizing Office should be increased.
- Evaluations of EU financed operations should be more systematic.
- Guidelines for the European Development Fund (EDF) firms and ACP supplies should be revised.
- Participation of personnel from the African, Pacific and Caribbean countries (ACP) in technical cooperation projects should be increased.

European Union: "Selected Instruments take from the Treaties. Book I, Volume 1,1993.

² Article 3b.

In the preparation to the mid-term review, the ACP countries argue for improvements in the trade regime. The ACP countries' share of the EU market has declined recently. In percentage of the EU market, the ACP countries share has declined from 7% in 1975 to 3.7% in 1992. Furthermore, preferential margins enjoyed by the ACP-states have been reduced as a result of trade liberalization policy in the Uruguay Round and the competition from Eastern Europe.

Trade policy is characterized by the ACP countries as inappropriate. Private sector needs should be strengthened with regard to capacity in operating international markets. The trade chapters of the Convention should, in the view of the ACP-countries, be strengthened. There is a need to improve the operational mechanism of the trade sector. ACP competitiveness should be given greater focus, market access, safeguard clauses, services and rules of origin. The private sector should be encouraged by increased use of technical cooperation.

Political and social factors should be taken into account. Problems arising from conditionalities on human rights questions should be addressed by establishing an effective mechanism for resolution of disputes.

The use of ACP human resources in aid projects should be given priority in the future work. A joint study on how to increase the use of ACP resources will be undertaken.

There are forces in the European Commission working for a coordination of the member countries' bilateral aid. A proposal to implement coordination in the health sector as a pilot project, has been tabled in the Council. The proposal will be on the agenda of the next meeting of the Council. The partnership concept is introduced and the EU aid should only be provided in principle if sectorial programmes are formulated.

In the opinion of the Danish Ministry of Foreign Affairs, there are hopes for increased coordination at country level by the EU if transparency is increased and if decentralisation is strengthened. Technical cooperation incorporates the new concept of institutional development and priority is given to trade, private sector and public sector reform. The role of project management units is questioned.

6.5 Summing up

There is a strong overall consensus when the Nordic technical cooperation in terms of objectives is assessed at policy level. In comparison, Norway and Sweden have the most common platform. They are seeking new solutions to the question of transfer of managerial control so as to increase recipient responsibility.

The economic recession in Finland has left its mark on aid with respect to the total resources and in the form of increased attention to their effectiveness.

Denmark, as a member of the European Union, acts in many ways as an advocate for the Nordic model in the group of the 12 EU countries.

Judging from the Lome Convention and the comments related to the mid-term review, technical cooperation from the EU is concentrated in the area of industrial cooperation and trade, with a heavy emphasis on private sector needs combined with a strong urgency to address the severe capacity problems in governments and Civil Service.

7. THE APPROACH OF THE MULTILATERAL INSTITUTIONS

7.1 The UNDP Approach

In the context of the UN-family, UNDP has been given special responsibility for technical cooperation. The origin of UNDP dates back to the establishment of EPTA in 1949. The objective of EPTA was to transfer technical knowledge and skills to developing countries through the provision of expert advice and fellowships from the UN system agencies. In 1958, the UN Special Fund was established in order to facilitate larger and more complex projects of longer duration. Both EPTA and the Special Fund were incorporated into UNDP when it was established in 1966.

The primary objective of UNDP is to "support the efforts of the developing countries to accelerate their economic and social development by providing systematic and sustained technical assistance meaningfully related to their national development plans and priorities and for the benefit of their entire populations."¹ Self-reliance is the long-term objective. Self-reliance is related to the managerial, technical, administrative and research capabilities required to formulate and implement development plans and policies. Management and development of appropriate institutions and enterprises are included in the mandate of UNDP.

The organization of UNDP is characterized by a small headquarters. Around 90 per cent of the staff are located in field offices in 130 countries. The structure of the organization gives UNDP a sound basis for working closely with the governments of the recipient countries. UNDP emphasizes the responsibility of the Government in question. Governments themselves are responsible for providing necessary overall support.

Governments are also responsible for participating in activities like monitoring and evaluation and other methods of review and programme adjustment. UNDP has established a mechanism for ensuring the full involvement of sectorial ministries on projects. The involvement of sectorial ministries covers the whole

UNDP: "Programme and Projects Manual (PPM) Part I: The System of UNDP Technical Co-operation" 1988.

project cycle; identification, formulation, execution and follow-up. National execution has been given stronger emphasis in recent years. A more active approach to enable developing countries to take a lead role in management of their own development process is emphasized by the UN as a whole. National execution is one of the key concepts in a UN-resolution endorsed in 1992.¹

UNDP is given special responsibility for coordinating the activities of the UN field activities. The coordination activities are performed by the Resident Representative in each recipient country. The question of coordination of aid has been one of the key issues facing UNDP recently. The need for a more coordinated approach by the UN system, particularly at field level, is stressed in recent documents.² The question of UNDP as coordinator at field level for the overall donor community has also been raised. The capacity of UNDP to perform an overall coordinating function will depend on several factors. One factor will be the composition of donors present in the recipient country in question. A second factor is related to the qualifications of the Resident Representative to perform a coordinating function.

UNDP operates on a grant basis. UNDP has traditionally worked with the recipient without any conditionalities. Recently this has changed. There has been a trend towards the use of conditionalities in relation to social factors and to the environment.

UNDP has a positive view on the role to be performed by NGOs. UNDP stresses the need for a participatory approach to development. Grass-root activities by the building up of local NGOs and organizations are included in the UNDP mandate. Training in a participatory approach to development is included in UNDP training courses.

In order to improve the effectiveness of technical cooperation UNDP introduced National Technical Co-operation Assessments and Programmes (NaTCAPs) in 1986. NaTCAPs are intended to enable developing country Governments to strengthen their ability to direct, manage and control technical cooperation from all sources of aid. NaTCAPs are basically a planning instrument. They provide a framework for coordination of technical cooperation programmes from all donor sources.

GA Resolution 47/199, 1992.

Innberetning fra FN-delegasjonen i New York, DT 2570, 1994.

NatTCAPs comprise the following ingredients: basic data; a solid in-depth analysis; and an action plan for follow-up and implementation. According to the UNDP's Programme and Projects Manual Part II: Programming UNDP Technical Cooperation the following core elements should normally be included in the NatCAP exercise:

- A broad assessment of technical cooperation needs based upon the economic situation, human resources capacities and an evaluation of past and present technical cooperation.
- Review of the management system of technical cooperation, including: mechanisms for planning, programming, and coordination; its policy basis, modalities for implementation and systems for monitoring and evaluations.
- Assessment of technical cooperation needs of specific sectors as basis for a technical cooperation strategy/action plan. The strategy includes priorities which the Government can use to guide individual donors in the programming or re-programming of current and future technical assistance.
- The strategy pinpoints the linkages with financial assistance to be provided to the country. The strategy/action plan should specifically address the steps needed to develop professional and technical skills locally to replace those imported from abroad. It should contain explicit targets and a timetable for their achievement.

NatTCAPs are Government exercises. UNDP works closely with the Government during the NatCAP-process. UNDP provides advice on the methodology, organization and financing of requirements. The ultimate goal is to make the procedure a permanent factor in the Government's development and planning process. A systematic approach is used in order to increase participation by the Government concerned and other nationals at each stage of the process.

Due to the comprehensiveness of the exercise, UNDP advocates participation by other donors. The World Bank is considered to play a useful role in providing the basic macro-economic analysis. NatTCAP is a process tailored to respond to the requirements and conditions of each particular country at a given point of time.

The NatTCAP cycle consists of four steps.

- In the first *planning stage* objectives, time-frame and organization of the process are agreed upon with the Government. The World Bank and selected major donors are approached to ascertain potential interest in participation. A national working group responsible for NaTCAP implementation is set up. The composition of an international team is defined.
- The second stage includes *preliminary work* including collecting of base data. The collection of base data is conducted by the national working group or when appropriate by external consultants under the guidance of the national working group.
- *A. full study NaTCAP first phase* is undertaken in the third stage. Basic data and preparatory studies are reviewed. Supplementary information and views of key actors in the technical cooperation process are collected and analyzed. Preliminary conclusions and recommendations are drawn up. The preliminary report is discussed with the Government and the donors. On this basis a final report including an action plan is prepared.
- The fourth stage comprises the *implementation of the action plan*. It is important to note that Government will have to take an official position on the action plan and ensure its integration into the government planning process. Government-donor consultations are held on adoption and implementation of the action plan. Finally, and related to the process nature of the NaTCAPs, an appropriate timetable for review of the action plan is identified.

The Country Programme is a planning instrument that enhances the Government's capacity to prioritize the use of UNDP resources at an early stage. Country programming includes a review of the scope of technical cooperation efforts.

According to Elliot Berg, UNDP lists the following types of activities as falling within the area of technical cooperation:

- Human resource development through transfer of skills and know-how, training in institutions and on the job, and activities in social fields such as health, nutrition, education.
- Preparation of development plans and strategies.
- Transfer, adaption, development and diffusion of technology.
- Development of services such as administrative services.

- Development and execution of pioneering programmes.

7.2 The World Bank Approach

The World Bank uses the concept "technical assistance". The most recent definition is as follows: "Technical assistance is defined as the transfer or adaption of ideas, knowledge, practices, technologies, or skills to foster economic development."¹ The World Bank is taking an increasingly active role in providing technical assistance in areas of policy reforms, institutional development and capacity building.²

The World Bank has increased its technical assistance support for institutional development since the mid-70s. During the financial years 1980-92, an average of USD 1,485 million was provided for technical assistance. While the average annual commitment for technical assistance in the financial years 1982-87 was USD 1,260 million, it rose to USD 1,598 million in the financial years 1988-92.³ Technical assistance therefore comprises only a small proportion of the World Bank's total portefeuille.

This relatively small amount of technical assistance needs to be considered in the context of the principal objectives of the World Bank's operations in the area of structural adjustment. The agenda of the Bank was gradually revised in the 1980s when traditional economic views were extended to include political and social dimensions.

A parallel change is the sharpening of the World Bank profile, with increased emphasis on recipient responsibility. In a speech given by the Vice President of the Africa Region of the World Bank, Edward V.K. Jaycox in Virginia in May 1993, it was emphasized that the whole environment in African countries is unamicable to capacity enhancement.⁴ Jaycox is primarily addressing the recipients, but also has a clear message on the need for change aimed at the

Berg: "Rethinking Technical Cooperation" op.cit.

IBRD: "Annual Technical Assistance Report", 1993

The World Bank: "Handbook" op.cit.

Edward V.K. Jaycox: "Capacity Building, The Missing Link in African Development" 1993.

donors' behaviour. Jaycox characterizes African Civil Services as "demoralized and underpaid with no incentives for performance". Within and beyond public sector, the environment for human resources is poor, "running on bureaucratic auto-pilot" which is characterized as the death of professionalism everywhere.

The main criticism against the donor community is that it competes unfairly for scarce domestic talent with local Civil Services. The use of expatriate residents is undermining the development of capacity in Africa. Jaycox is of the opinion that Project Management Units should be forbidden and upfront design and careful monitoring should be expanded. Training in the form of institutional support, is presented as the obvious answer to these problems. The use of twinning as an instrument in institutional support, is recommended. As for Civil Service reform, changes in salary structure should include more flexibility.

The central question to be addressed is whether these new trends are perceptible in the World Bank headquarters' day-to-day work and in field operations. This question is not to be answered in this review. In accordance with the Terms of Reference for this review, only the operational guidelines of the World Bank technical assistance for institutional development are assessed.

The World Bank's operational guidelines for technical assistance in the area of institutional development in the public sector are presented in "The Handbook for Technical Assistance" presented in 1993. Technical assistance in this area is addressed as a process, not a blueprint. The handbook underlines the need for a flexible approach taking into account the level of development. The guidelines are derived from the analysis of the tripartite relationship between the borrower, the Bank and the expert.

As indicated in Figure 6, the amount of donor interaction between the borrower and the experts will depend on the capacity of the borrower to take responsibility. Ownership is regarded a key factor in this connection. The need for increased ownership by the borrower applies to all levels: the overall policy framework, sectorial strategies and in specific projects.

At project level, the World Bank stresses the need for participation by the borrower at all stages of the project cycle; design, implementation, supervision/-monitoring and in the evaluations of projects.

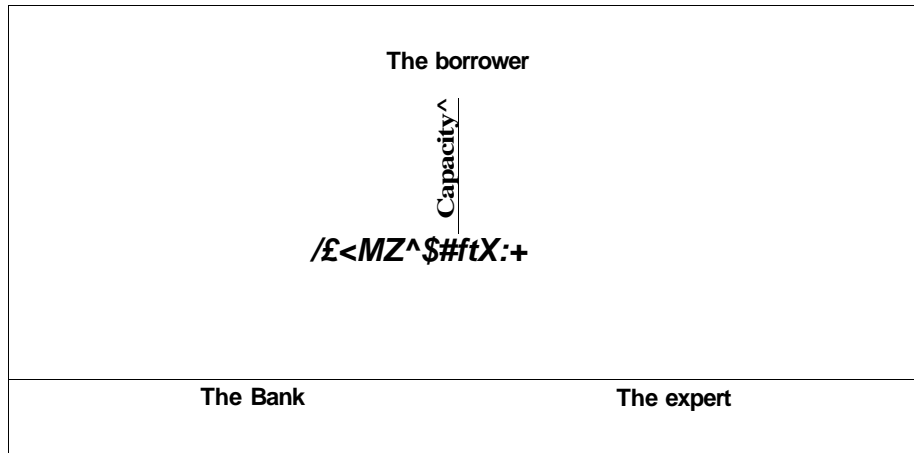


Figure 6: Illustration of the tripartite relations by the World Bank

At the overall level and particularly with regard to the adjustment lending programmes of the World Bank, ownership is regarded as crucial in order to implement the restructuring of the economy. Without ownership, the commitment to implement reforms which are difficult in nature, will not exist.

The big challenge is how to create ownership. According to the World Bank, perception by the recipient of necessary changes is the first step. Such perception forms the basis for increased commitment to objectives defined by the borrower in cooperation with the World Bank where necessary. A process of awareness creation in advance of the implementation of restructuring programmes will strengthen the feeling of ownership. Three key factors related to adjustment lending are identified as prerequisites for success. These are illustrated in Figure 7.

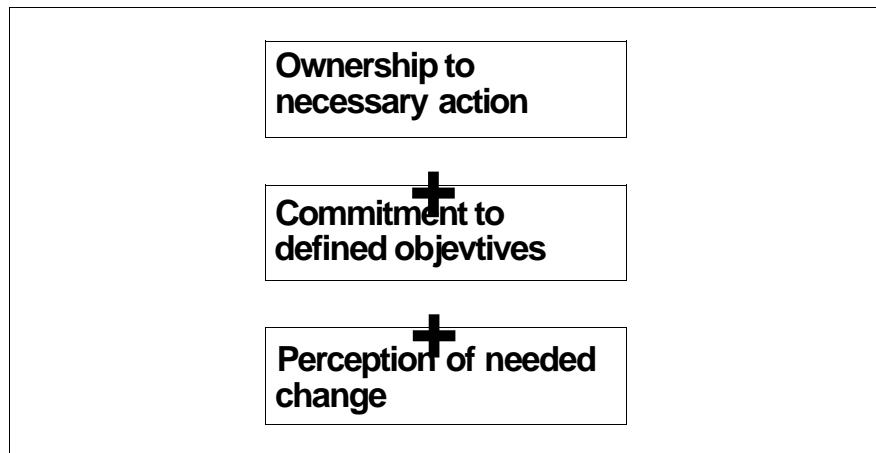


Figure 7: Illustration of the World Bank on how to achieve ownership

A process scheduled this way is critical in bringing about the necessary change in mentality to create a future where self-reliance can be achieved. Willingness to devote resources acts as a performance indicator.

The challenge is to draw up a programme which is feasible even though commitment from the borrower is lacking at the initial stage. There is a need to "persuade" the borrower to accept a sufficient complement of overseas and some local advisory personnel to develop a program of policy/institutional reform with active participation. The World Bank places a strong emphasis on the need for ownership and commitment, while persuasion is used as a vehicle. There could therefore be an inherent contradiction between the Bank's insistence on recipient responsibility and the need for persuasion.

The World Bank presents a pragmatic view with a step-by-step approach to building capacity and transferring managerial authority. Gap-filling is accepted under specific circumstances as follows:

- On a permanent basis if it is not cost-effective to build up technical competence.
- On temporary basis related to operational support where replacement plans are defined.

Success will depend on the formulation of a country-specific institutional development strategy developed principally by the country itself.

According to the World Bank, the borrower is least able to make use of technical cooperation i.e. has the least absorptive capacity, when the need for technical assistance is high. Inadequate institutional and administrative capacity in the public sector represents the bottleneck for absorptive capacity.

In the view of the World Bank technical cooperation should be applied within the overall policy framework and sectorial strategies developed in adherence with overall development plans as part of the policy framework.

The World Bank argues for an expanded counterpart model; an integrated approach with a flexible approach to the use of either long-term or short-term consultants in developing institutional capacity. Priority is given to a coaching model where consultants are recruited on a short-term basis under a long-term agreement, with local personnel responsible within an operating unit.

The World Bank has a positive view on institutional cooperation in the form of twinning. Whichever form is selected, the use of local consultants should be encouraged. In every project, capacity building objectives should be included in the Terms of Reference and parallel structures in the form of project management units should be avoided. Participatory training should be enhanced.

The main elements in the Handbook of the World Bank can be summarized as follows:

- Clear and specific definition of objectives is critical to success. Project objectives should include outputs and expected impacts and the beneficiaries should be clearly identified.
- Substitute technical assistance or gap-filling should be allowed under given circumstances. Substitute technical assistance personnel should not replace local staff simply because there are no funds to support the latter.
- A national strategy in planning institutional development is necessary. Such a strategy should be based on an institutional assessment. The methods in such an assessment include literature and document reviews of the context and the history, in-depth interviews, workshops and research.
- A process approach is necessary to develop ownership. Design of technical assistance should meet certain basic structural requirements such as a clear understanding of the need, a clear view of the expected outcome, proper selection of components to achieve the expected outcome, a strong borrower role in management and coordination, recruitment of qualified consultants, with special consideration given to local consultants and specific arrangements for follow-up and post evaluations.
- Twinning presents many advantages. It offers a broader range of services, keeps costs down, provides training opportunities and increases the time available for dealing with institutional development problems.
- The training component should be enhanced. Training helps employees raise their awareness, alter their perspectives, conceive and take fresh options and change their behaviour.
- NGOs provide an excellent source of development assistance and should be used as providers of technical cooperation in given activities.

- Technical assistance costs can be kept within acceptable limits by identifying cost and benefit relations, detailing costs of the components, stressing quality over price and by closely monitoring costs.
- Salary supplements should be avoided.

In summing up the policy on technical assistance from the World Bank, two aspects should be stressed; the importance of institution building and the need for increased ownership and commitment from the borrower.

7.3 Summing Up

The approaches of the World Bank and UNDP on overall policy level have been moving more towards a common platform than before. The objective of self-reliance and recipient responsibility are guiding the work of both organizations. This move towards a commonly shared perception of the end-product and the role of the recipients, should be considered as an improved basis in the ongoing search for more effective deliveries of technical cooperation.

Divergences are however still present at the operational level. The divergences have to be seen in connection with the modalities under which the World Bank and UNDP are working. The loan-based activities of the World Bank and the grant-based activities of UNDP will create different attitudes towards the specific needs on technical cooperation. The objective of a cost-benefit analysis has been more in focus in the World Bank activities on technical cooperation than in the activities of UNDP.

UNDP is working closer to the recipients. The main bulk of UNDP resources is located in the recipient countries, approximately 80-90 per cent. The operations of UNDP are performed closer to the recipients, which might imply a larger degree of recipient orientation. The combination of grants and decentralization implies that UNDP field offices in some cases are used as policy-advisers to the government concerned.

The World Bank has the main bulk of its resources located at headquarters, approximately 80 per cent. Priority has been given to analytical development. This gives a picture of an organization quite different from UNDP with regard to activities in the field, operation of headquarters and degree of close relationship to the recipients/borrowers.

SECTION II

Conclusions and Key Issues in the Future Debate on Technical Cooperation

8. "RETHINKING TECHNICAL COOPERATION" AN INPUT TO THE DEBATE

Section II addresses key issues in implementation of the new principles for technical cooperation. The analysis of technical cooperation presented by Elliot J. Berg in "Rethinking Technical Cooperation" is used as point of departure for the discussion of key issues. The book is briefly described.

In Berg's view crucial factors in technical cooperation are improved *policy making and better economic management* in self-reliant terms. The capacity of the public sector is regarded as the bottleneck in African development. Participation of the recipient government and target groups to increase commitment and ownership, is stressed. This is in line with DAC Principles endorsed by the donor community.

According to Berg, present approaches by the donor community on how to increase effectiveness in technical cooperation are a step in the right direction, but nevertheless not sufficient. Recipient responsibility and involvement at all stages in the project cycle are necessary to ensure that the recipient assumes responsibility for activities and pursues them after the departure of the donor. Berg agrees with this statement.

The donor driven nature of technical cooperation is however still the dominant feature. In Berg's opinion the new approaches do not address the profound nature of the relationship between donor and recipient. The present recommendations appeal to the donor and the recipient for better performance within a framework where the inherent deficiencies are not properly addressed. There is a need to illuminate the underlying motives and interests of both parties.

Berg focuses on four main subject areas in order to increase the effectiveness of technical cooperation in the years to come:

- *Management of technical cooperation.*
- *Delivery system failure.*
- *Lack of an effective market for technical cooperation.*
- *Work environment.*

Berg argues for a gradualistic reform strategy where *managerial authority* is transferred step-by-step to the recipient. Management responsibility is with the recipient. Managerial authority needs to be transferred to the recipient in order to increase commitment to technical cooperation activities at programme and project levels and to achieve self-reliance in a longer time perspective. At present, African recipients do not act to demand technical cooperation. Technical cooperation grants are regarded as supplementary funds.

Lack of ownership and administrative capacity are the main barriers. Simultaneously, poor administrative capacity and fear of corruption make it difficult for the donors to transfer responsibility. The solution to this dilemma, is in Berg's opinion, a gradualistic reform strategy, where the balance between the donor's need for control and the need to enhance administrative capacity by transfer of managerial authority is accounted for by a step-by-step approach.

Berg questions the emphasis by the donor community on the programme approach. "Programmes have to be made operational before they can be implemented, and the vehicle for doing so remains the project." "Poorly done, TC-Programming might even have unintended negative effects."¹ Berg argues for increased attention to the NaTCAP-process of the UNDP to make the programmes operational. In the meantime, performance on activities at project level should be focused upon.

The second subject addressed by Elliot J. Berg is *delivery system failures* in technical cooperation. Institutional capacity including human resources and organizational structure in the recipient countries do not function adequately to absorb deliveries of technical cooperation. Weaknesses in project identification, design and implementation represent the main causes. The fundamental cause is, however, the nature of the relationship reflected in the expert - counterpart model. This model has proved unsuitable for capacity-building. The model should be replaced by four alternative arrangements:

- First, there exists a real need for gap-filling. Several technical assistance personnel act as gap-fillers under the guise of advisers. Berg recommends facing up to reality and recognizing the need for operational staff, though under specific conditions. These conditions are a) clear understanding of replacement on a phased basis, b) governments have

Berg: "Technical Cooperation" op.cit.

to prepare for the transition with training programs and c) integration into national administration in full line positions.

- The second alternative put forward by Berg is a pure coaching model with short-term visits by expatriate technical assistance personnel as advisers to national staff. The effectiveness of the model will depend on the degree of commitment by national staff. Berg recommends a transitional model with a long-term resident project manager providing advice and defining the need for short-term consultants in a first phase. This model could be seen as a combination of gap-filling and coaching.
- Third, greater attention should be paid to the building up of local consulting capacities. Broader use of local consultants attains full agreement as a principle.
- Fourth, greater attention should be given to twinning. Twinning accounts for only a small percentage of technical cooperation, despite its attraction as a form of cooperation.

Lack of an effective market for technical cooperation is stressed as one of the barriers to recipient responsibility. The low degree of commitment and ownership of the projects is traced back to lack of realistic pricing and low cost awareness.

In the view of Berg, it is necessary to acknowledge market forces and to focus on *the* demand and supply side. On the supply-side, the tied nature of technical cooperation is reflected in the package-approach applied. Funding on grant basis implies a market without prices. The result on the demand-side is distortions in the incentive structure. Recipients are not in position to select equipment and experts/consultants from different sources on the basis of quality and costs. Recipients are confronted with the question of taking the whole package or nothing at all. Commitment is hence reduced and technical cooperation is regarded an "extra" by the recipients.

The fourth issue addressed by Berg is the inadequacy of *working conditions* in the public sector. Poor working conditions are explained by malfunctioning incentive structures for professionals. The results are low job commitment, high turn-over and involvement in private activities to make ends meet.

Berg's approach can be illustrated in the model presented in Figure 7. The Figure summarizes the issues described above. In addition, the Figure shows that Berg is looking at technical cooperation in a comprehensive manner. There

is a strong emphasis on adherence to the policy framework and strategies on sector and sub-sector levels when technical cooperation projects are designed and implemented.

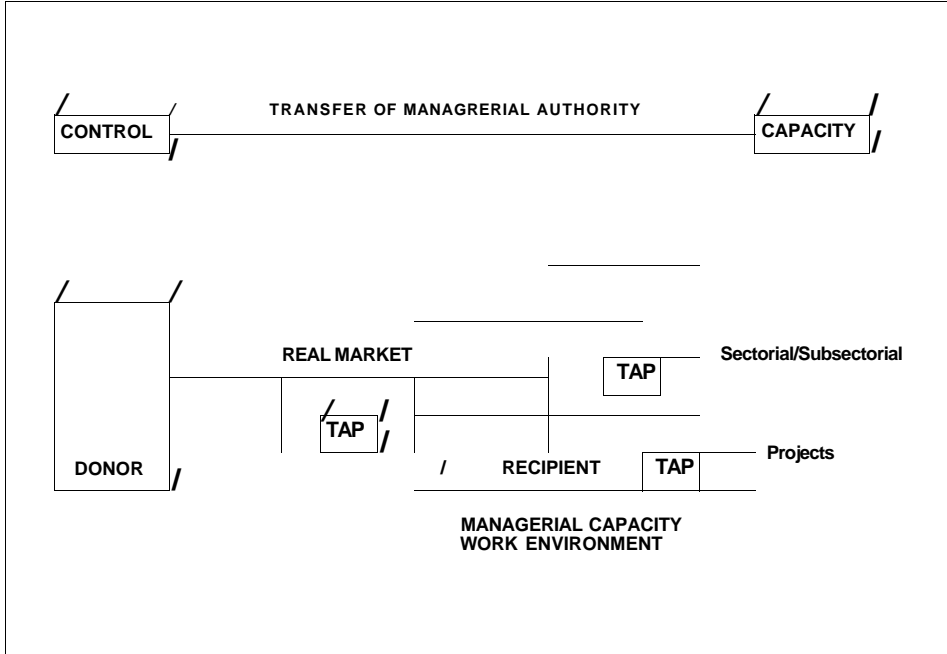


Figure 8: Illustration of the Gradualistic Reform Strategy TAP = Technical Assistance Personnel.

9. CONCLUSIONS AND KEY ISSUES

The new signals in the international donor community and the review of Norwegian technical cooperation, highlights the following key issues for the future debate.

9.1 Responsibility and Ownership

Ownership and responsibility are the most profound issues to be tackled in trying to put partnership into practice. The relationship between two actors where the one is providing expertise and the other is receiving is by its very nature unequal with regard to power. According to Berg there is a need to address the nature of this relationship. Can partnership be a real one, when power is unequally distributed? This unequal relationship comes to the surface through the different forms of conditionalities used by the donor community. Even though most conditionalities can be justified in terms of internationally agreed values, when put into practice they are expressions of unequal relationships.

Introducing a concept of partnership could conceal the underlying motives and interests of the donor and the recipient. This can act against improvements in the set of new instruments to be used to increase capacity. Conditionalities which are clearly expressed do not represent the most profound obstacle to a partnership model. Neither does the tying of aid whether this takes place in the field of industrial cooperation or in the area of technical cooperation. Norwegian aid policy has advocated the untying of aid as a vital principle in development cooperation.

In the area of technical cooperation, Norwegian performance on this indicator is not assessed to be better than others. The package solution so strongly criticised by Berg is also apparent in Norwegian deliveries of technical cooperation. The untying of the package combined with the introduction of economic pricing even when deliveries are conducted on grant basis, should be thoroughly examined in the future debate.

The need for the donor to maintain control by the donor because of financial accountability and fear of corruption is understandable. However it does constitute a contradiction in terms. Lack of ownership and responsibility

constitutes a major barrier to transfer of authority, As long as control is in the hands of the donors, ownership and commitment are not easy to develop. Berg proposes a gradualistic reform strategy within the framework of the NaTCAP-process of UNDP, to solve the dichotomy of responsibility by the recipient and control by the donor.

The World Bank addresses the challenge of ownership in arguing for a problem-oriented approach with awareness as the key concept. On the other hand implicit in the World Bank approach are elements of persuasion as an instrument in confronting "borrowers" with reality. In a Nordic context, Sweden argues for a bottom-up approach developing the sense of ownership at individual level using competence building as the principal instrument. Individuals and their competence have to be regarded in an organizational framework and in relation to the overall political environment.

The problem of vested interests, both psychological and financial, should be identified at all levels and from the perspective of the recipient and the donor. The development of an unequal relationship can be compared to a "mother-child"-relation, where power in itself acts as a motive together with the more obvious economic interests of sustaining donor dominance. Even after it would be possible to transfer control or replace experts by local manpower, evaluations show that replacement is not taken place in an adequate manner. In approaching this problem at project level, the donor community advocates the abolishment of the counterpart-expert model and parallel structures.

From the recipient point of view, there are few incentives to break die aid flow. The profound incentives to maintain aid prevail over those of putting self-reliance on the agenda. Self-reliance requires a change in mentality which is difficult to achieve under the present circumstances. The present international agenda comprising an increasing number of target countries competing for ever more scarce aid resources. This trend places a burden on the capacity of the developing countries. The recipients' qualifications as fund-raisers is becoming an even more crucial factor in die new competition. Furthermore introducing a strategy of self-reliance as guiding objective, demands a mentality of confidence and will in independent management in the future. Their best human resources are used as fund-raisers and not as the motor of the development process.

Looking at self-reliance from the psychological angle, implies seeking instruments to change the mentality of donors and recipients. A change in mentality requires that underlying motives are brought to the forefront.

9.2 Institutional Development as the Key to Self-reliance?

At present, there is complete consensus in the donor community on the need for institutional development. The strengthening of institutions is seen as the main key in enhancing administrative capacity and obtaining self-reliance in a future perspective. Institutional development is at the centre of the DAC Principles, the main objective of the NaTCAP-process of UNDP and increasingly considered as a bottleneck to be removed in the restructuring programmes of the World Bank. Within the bilateral donor community, the Nordic countries have fully incorporated institutional development as an objective in their aid profiles.

The whole range of institutions should be taken into consideration comprising all three arenas, public, private and civil society. The need for institution-building in each of these arenas serves different objectives which together are important for sustainable development on self-reliant terms.

9.2.1 Elements of Institutional Development

The distinction between institutions and organizations should be born in mind when discussing the elements of institutional development. Institutions are generally a broader concept than organizations.

Institutions in this Review include norms and rules to guide and constrain the behaviour of individuals and organizations. Organizations are the coordination of activities by a group with the aim of achieving some common purpose. On the basis of the international literature the following elements in institutional development can be discerned:

- Changing the incentive structure for individuals and/or organizations.
- Enhancing skills by training and education.
- Strengthening organizational performance.
- Reform procedures and systems of interchange between organizations.

- Increasing financial capabilities.
- Increasing societal support by activating user groups.
- Cultivating new norms and values e.g. coming to grip with corruption.

According to Berg, these elements can be used to distinguish three main activities in capacity-building with the use of technical cooperation:

- Skill upgrading, both general and job-specific.
- Procedural improvements.
- Organizational strengthening.

The assessment of the DAC Principles and Norwegian policy on technical cooperation revealed that institutional development in most cases is identical to the concept of organizational strengthening. Emphasis is also put on skill enhancement and procedural improvements. The emphasis put on procedural improvements e.g. new budgeting arrangements is underlined in the policy documents at general and country level. Skill-enhancement refers to general educational support and support for specific skills of both administrative and technical character.

It is important to keep these distinctions in mind when policy on technical cooperation is switching towards a strong emphasis on institutional development and institutional cooperation. The personnel component in the form of experts has been subject to heavy criticism.

It is important to keep in mind that institutional development is not identical to institutional cooperation in the form of twinning. Institutional cooperation is one of several tools to be used in order to strengthen institutions by job-specific skill upgrading, procedural improvements and organizational strengthening.

Institutional cooperation is not necessarily the best instrument in all cases. Evaluations of the personnel component in technical cooperation have in some cases revealed satisfactory results, mainly within engineering-type technical cooperation. Poor performance has been the main result when experts have been used to enhance the administrative capacity of institutions.

When learning from experience, it is essential to understand when and where technical assistance personnel has produced satisfactory results and when results have been unsatisfactory. It is furthermore important to address the main

problems when moving to new instruments of technical cooperation. Institutional cooperation could be subject to some of the same deficiencies as the use of technical assistance personnel, especially with regard to psychological aspects and vested interests.

Institutional cooperation will demand increased competence from NORAD in order to assist the recipient in building a professional public administration. "If institution-building means simple export of western administrative rationality to third world countries, the chances of a new round of unsuccessful assistance are large"¹

The next sub-section looks at different tools used in institutional development, some of the obstacles to be aware of and a proposal for a way to address institutional cooperation in order to produce the best possible result in each case.

9.2.2 Different Tools in Institutional Development

Institution-building means of enhancing the capacity of organizations or institutions. While the NaTCAP-process approaches the whole set of institutions in order to map the overall need for institutional development in the country in question, this section deals with available instruments to enhance capacity of specific institutions.

The World Bank looks at institution-building on the basis of core functions common to all institutions. The World Bank makes use of the management consultancy approach. To sum up, the following factors could be included when assessing the needs of an specific institution:

- Strategy in terms of objectives of the institution.
- Structure in terms of organization of the staff.
- Systems in terms of processes used to perform the work.
- Financial resources available.
- Human resources in terms of staff.
- Human resources available in terms of competence.
- Culture in terms of shared values in the institution.

Torvald Gran: Universitetet i Bergen; "Aid and entrepreneurship in Tanzania"

- Management styles.
- Systems for recruitment and training.

The factors included in this list are intended as examples of the many aspects determining the functioning of institutions. Poor performance of institutions may be related to some of the factors or to the whole set of factors. It is necessary to have an opinion on the nature of the problem before selecting the instruments in technical cooperation. If the problem is related to management styles based upon the whole culture of the specific country, the selection of instruments has to allow for political sensitivities which can arise. If poor performance is related to lack of specific skills of a technical nature, twinning is maybe not the appropriate solution to the problem.

On the basis of the international literature reviewed, the following instruments could be listed:

- Technical assistance personnel as gap-fillers under specific conditions.
- A coaching model with the use of short-term consultants.
- Institutional cooperation on a longer-term basis.

According to DAC Principles, gap-filling should be avoided. Norwegian policy takes a similar view despite its use in e.g. Tanzania. In the view of Berg and the World Bank gap-filling is acceptable under given conditions. The difference on this issue is simply a question of presenting the practical or the ideal. The data material does not provide the basis for conclusions on present practice in neither Tanzania nor Botswana.

In this connection, major emphasis is placed on institutional cooperation as the new instrument in technical cooperation. In the next sub-section, the use of twinning is addressed in order to highlight its advantages and disadvantages.

9.2.3 Advantages and Disadvantages of Institutional Cooperation

Institutional cooperation is regarded as a key to institutional support. In the NORAD strategy this is conceptualized in the "Norwegian Axis". The linking of institutions with similar objectives in the donor and recipient countries is expected to improve the transfer of a broader range of skills necessary to a well-functioning organization. In the case of Botswana this trend towards institutional cooperation is clearly reflected in the transitional programme. The

slower rate of progress in Tanzania reflects the need for a flexible approach taking due consideration of the need for sector plans, comprehensiveness and coordination.

There is, however, reason to ask whether institutional cooperation in terms of twinning arrangements will constitute the indispensable instrument it is expected to be, if it takes place without changing the profound nature of the relation. According to Berg, the best possible approach when the relation is unequal by nature is to recognize the inequalities by bringing real motives and interests to the forefront. The following issues based on the recommendations of both the World Bank and UNDP could be relevant for consideration:

On what basis has the twinning arrangement been developed? When commitment is strong and expresses real interest from both parties there will be no need for a formal institutional back-up. Networking which starts with people with a genuine interest in interchange, which incorporates the institutions they represent at an early stage will possibly be more sustainable. Artificial twinning arrangements seldom work. Twinning should always arise from the natural requirement of both parties.

The degree of involvement at every stage should be tested in each of the institutional cooperation projects. Such a test should be performed from the very start in the case of renewal of the country programme with Botswana. Do all project ideas originate from the recipient or is it merely a process of seeking compensation for reduced funds in the traditional form?

When linking institutions, donor agencies should be fully aware of the problem of *vested interests*. In the case of twinning of profit-making institutions in the private sector, commercial interests are obvious. This form of cooperation can be of value given that the recipient government is capable of controlling the operations.

In the case of public or civil institutions a variety of motives exist. Even if economic interests are absent or of minor importance, psychological motives should be considered. The same *raison d'etre* prevalent on an individual basis with experts arguing for extension could very well occur in the case of institutional cooperation.

However, in some cases a permanent interchange is the objective. Even so, there is a need to monitor/supervise performance in terms of capacity-building from the outside. Requirements for clarity in definition of objectives to include self-reliance should be formulated. The performance indicator should be formulated in terms of reduced aid dependency.

Technical cooperation is provided on a grant-basis. The three main elements of technical cooperation - personnel, equipment, training - have been and still are provided as part of a package which is normally tied and not available separately.

In the view of Berg package deliveries have implications for the behaviour of the actors involved. Most actors behave without cost awareness in the use of technical cooperation as this results in ineffectiveness.

When moving from traditional technical cooperation to institutional cooperation there is reason to question the problem of "tied aid". Institutional cooperation will increase the package form, making it even more difficult to provide the different elements separately. The whole concept of twinning is to deliver competence in a package where both skill enhancement and organizational structure are included. There is reason to ask whether this form is an adequate solution from the recipient's point of view and if this is in accordance with the objective of self-reliance in the long run.

One of the arguments for institutional cooperation is the need to build up long-term relations with the partner countries on more equal terms. Commitment will be more easily achieved through twinning arrangements than with the use of resident experts. One of the problems with technical assistance personnel has been vested interests and unnecessary extensions of the projects.

Long-term commitment is used as the rationale for twinning. There is reason to ask whether the combination of vested interests and tied deliveries in institutional cooperation could result in some of the same problems arising with cooperation on individual basis.

One indicator which could be used to address this question is the different character of institutional cooperation and to what degree a long-term relationship is of value to the recipient and the donor institution. If the objective is to support the strengthening of a government unit, i.e. the administration of the

road sector in a specific country, what will be the advantage of continuing the relationship after the objective is achieved? On the other hand, if the objective is to strengthen the functioning of a journalistic institution, a long-term relationship could be of value both to the recipient and donor institution though on a smaller scale than during the initial period.

Another aspect to be aware of in institutional cooperation is the aspect of monitoring by the responsible aid agency. In the case of institutional cooperation authority is transferred to the institution in the donor community taking part in the twinning arrangement. The ability to monitor will be reduced. Activating a broad spectrum of donor institutions will furthermore require increased training in order to ensure that the local cultural conditions are fully understood.

In order to address some of these problems in the use of institutional support, it could be fruitful to analyze the different forms on the basis of four items:

- The overall objective to be obtained. The overall objectives will differ according to whether the institutional cooperation takes place within the private, public or civil society.
- The direct objective related to the recipient institution.
- The motives and interests of the institutions which are to participate in the actual twinning.
- Performance indicators to be used in the monitoring and evaluation of twinning.

This approach is illustrated in Table 16. The illustration is not meant to be complete.

FORMS	GOALS	MOTIVES	OBJECTIVE	P.I ¹
Ministerial Units				
Civil Service	Capacity-building	Economic Professional Cultural Private	Build up or strengthen existing institutions to provide the services in question.	
Newspapers	Democracy	Economic Cultural Professional	Strengthen capacity Long-term relation	Strength in the network when aid resources are reduced.
Research Institutions				
Human Rights	Participatory Democracy			
Private Business				

Table 16: Analytic approach to institutional cooperation.

9.3 Three Arenas as Targets for Institutional Cooperation

The DAC Principles recognize the need for support to all three arenas; public and private sector and civil society. Improved functioning of governments and Civil Service is regarded as essential to development. The Principles point to the new awareness of the central importance of a dynamic private sector for satisfactory economic growth and broad-based economic and social development. The doctrines emphasizing either the state as *primum mobile* of socio-economic development or as the foremost obstacle to rapid modernization, have been replaced by a less polarized notion of the relationship between the state and the market underlining that well-functioning markets and well-functioning

P.I. = Performance Indicator

states depend on each other.¹ The balance between them will however be part of the political landscape for ever.

Trends towards a market economy are prevalent in most countries in Africa today. Norwegian aid policy has changed with the policy of the partner countries with a stronger emphasis of the need for economic growth with due concern to social development. Technical cooperation within these arenas is all subject to the same overall principles, but when put into practice different forms and obstacles will emerge.

The question of salary supplements is one of the key issues in *the public sector*. The donor's need for "the best man for the job" in order to secure the best possible results for the sake of the projects introduces distortions on the labour market. The results are wage-distortion and increased brain drain from the public sector. According to DAC Principles the practice of salary supplements should be avoided as a matter of principle. Salary supplements and fringe benefits should only be applied in exceptional cases and with the agreement of both recipient and donor. If used, they should be clearly timebound, follow explicit rules, be fully transparent and donor practices should be fully harmonized, "possibly through a comprehensive and centrally administrated mechanism to which both the government and the donor community agree."² These requirements are in line with the criteria used by the World Bank. A working group has been established to develop these requirements into concrete guidelines.

The upgrading of public administration support in Norwegian aid needs to take into consideration the organisational issue, within which human resources are intended to be used. In a report on capacity-building prepared for the Ministry of Foreign Affairs the question of public administration assistance is addressed. "The aim should not be to upgrade "public administration support" to a priority sector for Norwegian development cooperation. The aim should be to improve the capacity of recipient institutions in the field of relevance both to good gover-

SIDA: "Redefined the Role of the State and the Market in the Development Process", 1993.

OECD: Development Assistance Manual, 1992.

nance and to the national management of sectors and areas that receive the bulk of Norwegian programme assistance."¹

There are three principal ways of technical cooperation by which the development of a dynamic *private sector* can be encouraged. Within the context of Norwegian technical cooperation, emphasis is given to the development of a policy framework conducive to private sector development and to the dialogue between the private and public sector. Institutional cooperation will have to play an important part in this area.

Civil society development with emphasis on institutions promoting democracy, is stressed as important by the donor community. The DAC Principles consider the civil society as important in order to promote participatory development. The role of NGOs is regarded as essential in this respect. The Handbook of the World Bank is restricted to the public sector, but has a clear view of the importance of the NGOs as agents of technical cooperation in order to promote participation throughout society. Volunteers are given a similar positive role.

Technical cooperation in the civil society and with the NGOs as a source is not analyzed in a systematic manner with regard to objectives and different types of institutions within the civil society. Professional associations, trade unions, community associations, political interests group serve different objectives. The question of NGOs as a source for technical cooperation is addressed in the next section.

9.4 NGOs as Providers of Technical Cooperation

NGOs as providers of development assistance in general have increased during the past years. The amount of technical cooperation from NGOs is not specified in international statistics. An estimate from UNDP indicates that technical cooperation from NGOs amounts to approximately 10 per cent of the total of USD 20 billion.

In the DAC Principles NGOs are given a central role in relation to the objective of participatory development. The process towards democracy could be

improved by the close contacts that NGOs have to poor people. The traditional top-down philosophy of most developing countries has discouraged the organisation of people into groups in order to promote their interests in development. The building up of democratic institutions serves a wide spectrum of objectives with the common feature of people's participation.

The World Bank and UNDP underline the need for a variety of institutions. In Human Development Report 1993 the building up of strong institutions in civil society is underlined: "if governments are to be kept free from undue influence from vested interests, democracy also demands strong institutions of civil society (such as a free press) and a diversity of non-governmental organizations (such as environmental groups..."¹

The Human Development Report is further distinguishing between two types of organizations; people's organizations and NGOs.

- People's organizations are defined as "democratic organizations that represent the interests of their members and are accountable to them."
- NGOs are defined as "voluntary organizations that work with and very often on behalf of others."

NGOs often have close links with people's organizations, channelling technical advice or financial support.

The Northern NGOs as providers of technical cooperation have not been subject to systematic evaluations. However, their participation in aid programmes has increased during the past years and the general impression on their role is positive. In the view of the World Bank, NGOs provide an excellent source of development assistance. They are considered to have strong advantages in areas like poverty alleviation, deliveries of social services in remote areas and popular participation. "They have a greater capacity to reach the poor, better trusted by the "civil society" and they may represent a preferred indigenous alternative to the use of expatriate consultants."²

The literature is scarce in assessing the NGOs and their adherence to the DAC Principles. To what degree do Northern NGOs make use of a partnership

UNDP: Human Development Report 1993.

The World Bank: "Handbook" op.cit.

concept with people's organizations and NGOs in the recipient country? To what extent are institution building and self-reliance formulated as objectives? To what degree do vested interests from the Northern NGOs act as barriers to the development of local institutions? These are all questions that are central in the debate on effectiveness of technical cooperation.

According to Human Development Report 1993 many Northern NGOs still execute their own programmes in the developing countries. The trends are, however, towards working in participation with NGOs and peoples organizations in developing countries. Certain reservations are however presented. It should not be assumed that NGOs necessarily enhance participation. NGOs are under pressure to produce results quickly.

In summing up, the following subjects are central in the discussion of Northern NGOs as providers of technical cooperation in civil society.

- As providers of technical cooperation in order to strengthen a participatory development in the development country concerned, Northern NGOs should adhere to the DAC Principles of recipient responsibility and the partnership model. This should imply that the Northern NGOs gradually transfer responsibility for the execution of the projects to the beneficiary organization. This demands that the beneficiaries are organized at grass-root level.
- As participants in civil society the Northern NGOs could be a force which contributes to the organizing of people at grass-root level in order to promote political or economic interests towards the Government. The Northern NGOs are in this context working in a political sensitive landscape. This means that a somewhat different set of principles should be guiding technical cooperation as an instrument in promoting democracy.

In accordance with the approach presented in Table 16, the following questions regarding institutional cooperation between Northern NGOs and NGOs and people's organizations in the recipient countries should be tabled:

- The overall goals?
- The motives and interests?
- The concrete objectives?
- The use of performance indicators?

9.5 Coordination

The question of coordination has been upgraded by all parties. In principle, the recipient is responsible for aid coordination. In developing countries with weak institutional capacity and with a substantial aid dependency as in the case of Tanzania, donor coordination poses a dilemma for the recipients. The strength of the donor society can be overpowering to the Governments of the recipient countries.

Local aid coordination should be promoted on a sectorial basis and performed in a comprehensive manner with respect to the overall policy framework. The role of the international organisations should, in the opinion of Berg, be strengthened. The Review has revealed that a flexible approach is needed. Donor coordination and the role of the World Bank and UNDP respectively should be considered at country level, taking into account different local conditions and actual performance.

APPENDIX I:
Review of technical cooperation in NOK million
from different budgetary categories in 1992.¹

Table		
	Description	Funds in NOK mill.
144	Information	10.8
150	Country-programme - Africa	70.1
150	Regional - Africa	36.4
151	Country programme Asia + regional funds	25.9
152	NIC + regional	9.2
154	Special Grants	73.4
155	NGOs	86.0
156	Information	29.0
160	Training - export	34.7
161	NORIMPOD	8.0
164-66	Evaluations and research	35.1
167	Experts, consultants, Trainees	165.7
168	Volunteers	59.0
180	Multi-bilateral	134.9
184	International NGOs	8.2
189	Peace/disarmament	0.2
190-91	Humanitarian aid	37.8
192	Democracy	4.5

¹ Source: NORAD

APPENDIX II

MANDATE FOR REVIEW OF THE EXPERIENCES OF TECHNICAL COOPERATION

The team shall undertake the following:

1. A brief review/summary of OECD/DAC Principles for technical cooperation, the World Bank's Handbook on Technical Assistance and the book of UNDP Rethinking Technical Cooperation.
2. A presentation of some development trends, particularly with regard to the need for technical cooperation in Norwegian partner countries with special emphasis on the situation in Botswana and Tanzania.
3. A review and an assessment of Norwegian technical cooperation:
 - 3.1 A description with a brief review of the historical development of Norwegian technical cooperation and the present state of affairs.
 - 3.2 An assessment of Norwegian technical cooperation in relation to the above-mentioned items (1.,2.,3.1) and possibly some other countries' technical cooperation.

The team shall furthermore prepare material for Norwegian participation in the forthcoming High Level Seminar in OECD/DAC.

EVALUATION REPORTS

- 4.85 **REDD BARN** Development Efforts - Ethiopia and Sri Lanka
5.85 Lake Turkana Fisheries Development Project, Kenya
6.85 Development Centres for Women in Bangladesh
7.85 Description of the Planning Model of HIRDEP, Sri Lanka
1.86 Stockfish as Food Aid
2.86 Mali - matforsyning og katastrofebistand
3.86 Multi-bilateral Programme under UNESCO
4.86 Mbegani Fisheries Development Centre, Tanzania
5.86 Four Norwegian Consultancy Funds, Central America
6.86 Virkninger for kvinner av norske bistandstiltak
7.86 Commodity Assistance and Import Support to Bangladesh
1.87 The Water Supply Programme in Western Province, Zambia
2.87 Sosio-kulturelle forhold i bistanden
3.87 Summary Findings of 23 Evaluation Reports
4.87 NORAD's Provisions for Investment Support
5.87 Multilateral bistand gjennom FN-systemet
6.87 Promoting Imports from Developing Countries
1.88 UNIFEM - United Nations Development Fund for Women
2.88 The Norwegian Multi-Bilateral Programme under UNFPA
3.88 Rural Roads Maintenance, Mbeya and Tanga Regions, Tanzania
4.88 Import Support, Tanzania
5.88 Nordic Technical Assistance Personnel to Eastern Africa
6.88 Good Aid for Women?
7.88 Soil Science Fellowship Course in Norway
1.89 Parallel Financing and Mixed Credits
2.89 The Women's Grant. Desk Study Review
3.89 The Norwegian Volunteer Service
4.89 Fisheries Research Vessel - "Dr. Fridtjof Nansen"
5.89 Institute of Development Management, Tanzania
6.89 DUHs forskningsprogrammer
7.89 Rural Water Supply, Zimbabwe
8.89 Commodity Import Programme, Zimbabwe
9.89 Dairy Sector Support, Zimbabwe
1.90 Mini-Hydropower Plants, Lesotho
2.90 Operation and Maintenance in Development Assistance
3.90 Telecommunications in SADCC Countries
4.90 Energy support in SADCC Countries
5.90 International Research and Training Institute for Advancement of Women (INSTRAW)
6.90 Socio-cultural Conditions in Development Assistance
7.90 Non-Project Financial Assistance to Mozambique
1.91 Hjelp til selvhjelp og levedyktig utvikling
2.91 Diploma Courses at the Norwegian Institute of Technology
3.91 The Women's Grant in Bilateral Assistance
4.91 Hambantota Integrated Rural Development Programme, Sri Lanka
5.91 The Special Grant for Environment and Development
1.92 NGOs as partners in health care, Zambia
2.92 The Sahel- Sudan-Ethiopia Programme
3.92 De private organisasjonene som kanal for norsk bistand, Fasel
1.93 Internal learning from evaluation and reviews
2.93 Macroeconomic impacts of import support to Tanzania
3.93 Garantiordning for investeringer i og eksport til utviklingsland
4.93 Capacity-Building in Development Cooperation
Towards integration and recipient responsibility
1.94 Evaluation of World Food Programme
2.94 Evaluation of the Norwegian Junior Expert Programme with UN Organisations
1.95 Technical Cooperation in Transition
2.95 Evaluering av FN-sambandet i Norge

Country Studies and Norwegian Aid Reviews

(Most studies are available in English and Norwegian)

1985	Pakistan	1986	Bangladesh	1986	Zambia	1987	India	1987	Sri Lanka
1987	Kenya	1988	Tanzania	1988	Botswana	1989	Zimbabwe	1990	Mozambique

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