In 2007 the Swedish government decided to consolidate the number of countries it had development co-operation with Sri Lanka, along with Vietnam and Laos, were included among those which would be phased out.

Three evaluations (Sida Evaluation 2012:1, 2 and 3) were commissioned by Sida to an independent team to evaluate the development co-operation in these three countries where Sweden is, or has, phased out, and summarise experiences and lessons of this co-operation. They were predated by an earlier, preparatory phase in 2009 (UTV Working Paper 2010:10, 11 and 12) that was to comprehensively document and describe this co-operation. It is also complemented by a synthesis report (Sida Evaluation 2012:4), which not only summarises the three country reports and compiles the lessons, but also comparatively analyses the conclusions and lessons.

The overall purpose of these evaluations is twofold. First, to provide an historical account of the development co-operation between Sweden and Vietnam, Sri Lanka and Laos by documenting and recording what has taken place and been achieved over the years. Second, to provide a summary of the experiences and lessons learned from the co-operation in order to guide, not only the efforts of other donors operating in the countries, but also future development co-operation per se. The evaluation’s primary aim is to provide Sida with an understanding of how its development activities have supported poverty reduction over time. In accordance with contemporary international development thinking this evaluation adopts a multidimensional conceptualisation of poverty.

Evaluating up to and over 50 years of development co-operation is a complex task. Moreover, the thinking of how international development co-operation should be carried out has evolved over time and this has changed the focus of support. An informative and rigorous methodological approach is required. The evaluations employ qualitative and quantitative methods in a complementary way to interrogate different types of evidence about the context, evolution and outcomes of Swedish development co-operation. The evaluation includes assessments of the overall operating environment for donors, empirical associations between development co-operation and development achievements and detailed case studies of selected Swedish development aid activities in the countries.
Some very basic facts

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<tr>
<td>(Year dev co-op initiated)</td>
<td>1967</td>
<td>1974</td>
<td>1958</td>
</tr>
<tr>
<td>Total volume SE aid</td>
<td>US$3.46 billion</td>
<td>US$ 714</td>
<td>US$ 1.6 billion</td>
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<tr>
<td>ODA/ GDP</td>
<td>4.4 % (85-08)</td>
<td>13% (1984-08)</td>
<td>10-20% (1960-2008)</td>
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<tr>
<td>SE % of ODA (ranking of all OECD/DAC donors)</td>
<td>13.42% (1976-2008, but 60% during 80s) (2nd)</td>
<td>14.8% (1976-08)</td>
<td>5.53% (6th)</td>
</tr>
<tr>
<td>Human Development Index (HDI)</td>
<td>0.65 (2008), 0.38 (1970)</td>
<td>0.524 (2011), 0.376 (1990)</td>
<td>0.69 (2011), 0.53 (1980)</td>
</tr>
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**SRI LANKA**

Sweden began providing development co-operation assistance to Sri Lanka in 1958 with support to the Family Planning Association of Sri Lanka. The Embassy of Sweden was closed and development co-operation ended in 2010. At this time, the focus of Sweden's support was on economic performance, peace and democracy. This evaluation provides a critical overview of those 53 years and furthermore makes an assessment of how and if this assistance contributed to reducing poverty in the country, the main overall goal of Swedish development co-operation.

It is not an easy task to evaluate 50 years of co-operation between two countries and perhaps it is even more difficult to evaluate development co-operation, which by its nature and numerous dimensions and relationships is complex. The relationship between Sweden and Sri Lanka has also evolved over these years and during the last decade was strained by the civil conflict. A recent evaluation of Norway’s support to the peace process between 1997-2009 states, that aid may be supportive of peace processes, but cannot take a shortcut around complex political processes. Moreover, “poorly conceived aid has the potential to destabilize fragile political settlements". This evaluation states that Sida’s work in primarily strengthening civil society was well-intentioned but “overly optimistic" to think it could create “meaningful change" in the conflict-ridden environment.

But it all began on much more positive note. Sweden’s support to family planning increased awareness for the approach even internationally, with its focus on freedom of choice and temporary birth control methods, as opposed to population “control". In the 1950s, Sri Lanka had the highest population growth rates in its history and the government was wary of perceived threats of over-population. By 1965 the government took responsibility for family planning and today it is considered to have one of the best functioning family and reproductive health care systems among developing countries. Fertility rates, maternal and child mortality have had impressive reductions and Sri Lanka is considered to be on track to achieve the MDGs in these areas.

From family planning and the provision of physical economic infrastructure, such as the Kotmale Dam, we moved to what the evaluators considered the most successful area of support for Sweden in Sri Lanka – the Plantation Schools Education Development Project. This embodied Swedish development co-operation at its best – when it combined a pro-poor agenda and showed commitment to an underfunded sector for a long period of time.
The evaluation draws five main conclusions. First, it finds that Swedish development co-operation in Sri Lanka addressed pressing development needs and that on balance, Sweden’s priorities were aligned with those of the Sri Lankan government up to 2004. From 2004, however, there was a strong divergence between these priorities. Second, the evaluation concludes that on balance the Swedish development co-operation program with Sri Lanka has been efficiently delivered. Third, the evaluation concludes that Swedish development co-operation in Sri Lanka nurtured such an environment for poverty reduction in Sri Lanka, or put differently provided the pre-conditions for such reduction. Fourth, it is concluded that three main lessons can be learned from Swedish-Sri Lankan development co-operation. These lessons are to adopt a long-term approach, to have a principle-led approach while at the same time being pragmatic, and to be to be flexible in grappling with and responding to the drivers of intended outcomes. Fifth, and most fundamentally, the evaluation concludes that Swedish aid contributed only marginally to the lowering of poverty. The precise extent of this contribution remains a matter of speculation. On balance, the available evidence is consistent with having made such a difference up to 2002, largely due to Sweden’s support for the plantation sector, which was a successful intervention that had meaningful multidimensional poverty reducing impacts for this segment of the population. It appears questionable whether such a difference was made between 2004 and 2010, when some capacity was built by Sweden in the Sri Lankan civil society sector. But this had little or no impact. The most pressing development issue of the day was the promotion of peace and the reduction of conflict. A lack of a conflict perspective in the earlier stages of the conflict, hindered any chance for success.

Sri Lanka has made impressive achievements in various dimensions of poverty and development. Today it rates as a medium human development country based on its HDI and the World Bank ranks it as a lower middle income country and believes it will graduate to the middle income country group in the next five years or so. In that sense, it has made sense to end development co-operation in Sri Lanka.

VIETNAM

The period from the late1960s to mid1970s was a very difficult time for Vietnam. During this time the country was still divided into two – North and South Vietnam. The Second Indo-Chinese war was at its height, ending with the fall of Saigon (now Ho Chi Minh City) to the North Vietnamese forces in 1975. Both North and South Vietnam suffered tremendous economic and human losses during the war. Intense aerial bombardment had extensively damaged economic infrastructure and, in the country as a whole, it is estimated that there were up to 1.5 million civilian and military deaths, 360,000 people made invalids, and one million people widowed.

With the end of the War in 1975 came political re-unification and the spread of communism throughout the country, as a result of these economic policies many donors either suspended or substantially scaled back aid. It was at this time that Sweden became the largest OECD/DAC donor in terms of volume. Sweden retained this status for every year until 1991, providing 64 per cent of Vietnam’s total OECD/DAC bilateral aid during the 1980s. It was one of only three OECD/DAC donors not to substantially scale back its aid to Vietnam, following the latter’s invasion of Kampuchea (now Cambodia) in 1978. Swedish aid to Vietnam achieved its highest annual level of $US309 million in 2008.
This evaluation covers Sweden’s contribution to development and poverty reduction in Vietnam in over the 45 years of development co-operation, from the inception of the program in 1967 to 2011. The evaluation included 9 case studies.

Support to the Bai Bang paper mill and the Children’s Hospital in Hanoi and the General Hospital at Uong Bi were cases showing pragmatism prevailing over principles and pressing needs. Although Bai Bang was fraught with controversy in the early years, today it is considered to be successful private company, supplying paper nationally as well as exporting. Bai Bang can also be considered to have been a soft introduction to a capitalist-oriented management style. These three interventions are symbols of the goodwill and mutual friendship between the two sides, something not to be underestimated as it built the foundation for the development co-operation in the years to come. With Bai Bang followed broader support to the forestry and natural resources sector in Vietnam, and this in the ethnic minority dominated areas of the northern highlands.

As the only donor, Sweden provided support to the economic reforms, Doi Moi, during the critical years between 1989 to 1991. The support was broad, ranging from legal support, tax administration, statistics and Parliament. One of the first contributions to this process was funding an international conference to discuss models for economic, banking finance and public administration reform. It also provided significant support to CIEM, which was and still is the primary economic policy think tank in Vietnam. Several new laws resulted directly from Sweden’s projects, for instance on bankruptcy, civil courts and competition law, to name a few. Sida seized the opportunity for policy dialogue in this area and its access to high level policy makers gave it significant influence. Also during these early years, Sweden began discussing anti-corruption and this become an area in which Sida would lead a working-group. Furthermore, the laws developed with Swedish support were seen as being most relevant to the Vietnamese context. These reforms have had ongoing importance for Vietnam, for instance in, positioning the country well for its recent ascension to the WTO. The sensitiveness of some of these issues proved that Sweden was a trusted partner and Sida was one of the few donors allowed to assist the government in its cautious experimentation with economic and public administration reforms. By the early 2000s, there was a visible shift in Sweden’s emphasis from supporting the making of laws and strengthening of administrative systems to supporting improved access to justice, with a focus on marginalised groups, democracy and human rights. Here again Sweden was often solely allowed to work with these issues.

This experimentation and Sida’s long-term presence in the ethnic minority dominated northern highlands sowed the seeds for the Chia Se Poverty Alleviation Program, seen as a highly progressive “political project” with local democracy, especially with regard to its combination of participatory methods, transparency and decentralised approach to collective decision-making. Development co-operation in Vietnam is concluded with a focus on Partner-Driven Co-operation. This has had a smooth start, largely due to the depth and breadth of Swedish co-operation, which organically forged many meeting points which form the basis for this new co-operation form.

The evaluation draws five main conclusions. First, it finds that Sweden responded to important multidimensional development needs in Vietnam. Second, the evaluation finds mixed evidence of effective and efficient delivery of Swedish development co-operation in Vietnam. Evidence of effective and efficient delivery is scarcest during the first phase of development co-operation, between 1969 and 1985. Third, the evaluation finds that there is clear evidence that Swedish
development co-operation nurtured an environment in Vietnam that assisted in providing the pre-
conditions for sustained poverty reduction. Nothing demonstrates this more clearly than Swedish
support for Doi Moi. Fourth, the evaluation points to three key lessons learned for future develop-
ment co-operation. They are: the importance of relationships; of adopting a long term approach;
pursuing effective balances between principles and pragmatism; being flexible and open to new
ideas. On the second of these lessons, Swedish achievements in Vietnam are clearly disproportion-
ate to the financial volume of its development activities in this partner country. Fifth, and most
fundamentally, the evaluation concludes that Swedish development co-operation with Vietnam has
had strong poverty reducing impacts. While the exact extent to which Swedish development
assistance has reduced poverty is a matter for speculation, it would appear to be beyond doubt
that Sweden has worked with the Government of Vietnam to lift many millions of Vietnamese out
of poverty.

LAOS

The mid-1970s was a particularly pivotal time in the history of Laos. The royalist government of
Laos was overthrown by the Pathet Lao in 1975 and the country was officially re-named the Lao
Peoples’ Democratic Republic. Laos had been affected very badly during the Second Indo-
Chinese War that ended in 1975, having experienced heavier bombardment than that inflicted on
Germany in World War II. The country was left facing enormous development challenges - severe
poverty was widespread, infrastructure was in a poor state, internal conflicts were ongoing and
government institutions were weak and ineffective. Swedish development co-operation with Laos
commenced in 1974 with an allocation of $US20,000 and ended in 2011 with the closing of the
Swedish Embassy in Laos.

From these very humble beginnings, Sweden’s program expanded in size. Following the
suspension of aid from the United States in 1976 and the winding back of aid from other OECD
donor countries, Sweden quickly became a principal source of aid funds to Laos. From 1975 to
1993, Sweden provided more development aid to Laos than any other OECD country. It was the
second largest donor, after Japan, over the period 1975 to 2008. Sweden provided, in 2008 prices,$US714 million in official development assistance to Laos, which was seven percent of the OECD
total during this period.

In 1975, one of the most pressing needs was to rebuild infrastructure owing to the damage done
during the war. Swedish assistance in the early years was focused on two areas – the provision of
‘Bailey Bridges’ through import support and the supply of heavy vehicles to assist various line
Ministries to meet their transport needs. The evaluators state that although this support was not as
effective as it could have been due to aid tying, lack of trained personnel and poor donor co-
ordination, it did build up trust with the government. Sida’s approach to the transport sector in Laos
then evolved significantly during the 1990s, moving away from a focus on central level ministries
and the national road network towards provincial and community roads. A study by Warr in 2005
found that 13 percent of the decrease in rural poverty between 1997/98 and 2002/03 could be
attributed to improved road access alone. Sida continued to grapple with the complexities of
institutional development, as became so very clear in the first phase of the support. The evolution
of Swedish assistance to the transport sector since this early period has been described as a
“familiar pattern” from capital intensive development to an increasing focus on institutional
development. Sweden constantly adapted as challenges were seen in new light and the organisational and institutional dynamics of road administration became clearer.

Support to the state statistical centre in Laos is considered by the evaluators as very important. It provided Laos with basic statistical data (everything from GDP, CPI along with poverty and household data, which it did not have in 1991) allowing for basic management of the economy along with providing more reliable knowledge of the pressing problems/needs, as such, an important foundation for effective poverty targeting. Sweden was the first donor to the area and supported it for 20 years, building up statistics capacity from a point when none of the staff could speak English, to a level where poverty, household, census, CPI and all types of sectoral data are collected systematically and disseminated to government and donors through the Lao Statistics Bureau website. There is also a national archive of statistical data, the Lao PDR National Data Archive (LNADA), which houses data from the 17 large surveys and 4 censuses (most of which have been undertaken with Swedish support). The base statistics produced by the LSB, particularly the LECS and population census data are having an impact across Laos in policy development and program planning. For example, until recently the Government of Laos (GoL) and donors focused on providing vaccinations to reduce infant mortality until new data from LECS suggested that infant death was frequent very soon after birth. This led to changes in priorities and a focus on providing skilled birth attendance in an effort to reduce both infant and maternal mortality.

Although the focus on human rights sometimes sat awkwardly with GoL policies, creating occasional tensions in the bilateral relationship, the fact that Sweden and Laos were able to discuss human rights was indicative of the trust that had developed in the relationship over many years. Prominent examples of such contentious issues include, GoL policies on shifting cultivation and ‘forced resettlements’. The latter emerged in 2005 during discussions over a proposed Sida-funded project focused on uplands development. As correspondence from the time highlights, Sida officials were concerned about lending unwitting support to forced relocations through the proposed project and made their position clear to other donors as well as the GoL. A key mechanism for this was the informal bilateral working group on human rights, which involved officials from Sida and the Ministry for Foreign Affairs of the GoL meeting on 14 occasions between 2001 and 2010. This was the first time that the GoL had such an arrangement with any donor.

The evaluation draws five main conclusions. First, it concludes that there is clear evidence that Swedish development co-operation responded to pressing multidimensional development needs in Laos. Second, the evaluation concludes that there is mixed evidence of effective and efficient delivery of Swedish development co-operation in Laos. Evidence of effective and efficient aid delivery is scarcest during the first phase of Swedish development co-operation with Laos, between 1974 and 1985. Third, the evaluation finds that after a slow start Swedish development co-operation assisted in providing the pre-conditions for sustained poverty reduction. Fourth, the evaluation concludes that there are three key lessons learned from its examination of Swedish development co-operation with Laos, which if acted upon can improve future development effectiveness. These are: (i) adopt a long-term approach, developing a sound relationship with the partner government that facilitates frank and open dialogue; (ii) pursue an effective balance between principles and pragmatism; and (iii) be flexible and learn while doing. Fifth, and most importantly, the evaluation concludes Swedish development co-operation has made a substantive
contribution to poverty reduction in Laos. The extent of this contribution remains, however, a matter of speculation.

**THE SYNTHESIS**

The synthesis of the three evaluations goes further than synthesizing the findings. It provides additional analysis and general lessons learned that can inform the decision-making processes within development co-operation, including with regard to the phasing in, implementation, or phasing out of development co-operation in partner countries.

The synthesis finds that the common features of Swedish development co-operation with all three countries, besides the long-term approach, are flexibility and the principle-led approach. Having a principle-led approach is a ubiquitous characteristic of Swedish aid, shaped by both institutional and cultural factors, including policy stances and the notions of progressiveness, political neutrality, fairness and openness. Evidence from the country-level evaluations suggests that as the aid effectiveness agenda increased in importance in the development sector, Sweden was looked upon as a leader in this regard, both with in-country partners and with like-minded donors and in many areas Sweden led the agenda.

The synthesis focused on two other issues. The first concerns relationships, which are considered a key factor determining the effectiveness of development co-operation. The synthesis suggests that the decision to phase out development co-operation should be founded on an appreciation of the depth and breadth of the relationship between the donor and the recipient, and after an analysis of the strengths of that relationship. In countries where a strong, productive or "special" relationship exists, consideration should be given to not phasing out. This is not to say that the donor should necessarily remain, but that the nexus between the diplomatic and developments domains in Swedish foreign policy should be highlighted.

The synthesis also addresses sustainability upon phasing out, the issue of working with one-party states and lessons when a conflict arises in a country where one is engaged in long-term co-operation.

In conclusion, the report found that the programme with Vietnam was the most successful, followed by that with Laos and then Sri Lanka. The success in Vietnam was thought to reflect the very strong and developmentally productive relationship between the two governments. A similar relationship existed with Laos, but capacity constraints were thought to have limited the success of the co-operation. And the prime reason for the relative ineffective co-operation with Sri Lanka was the absence of such a relationship, especially from the mid-2000s onwards, and a failure by Sweden to fully appreciate the drivers of conflict resolution. The evaluation concludes that how such a relationship is defined or conceptualized needs further exploration.