

Development Cooperation between Guinea-Bissau and Sweden

**Macroeconomic development, structural reform
and project performance**

Stefan Sjölander

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Department for Africa

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CONTENTS

Preamble

Executive Summary

1. Background	1
2. The Study	2
3. Findings	3
3.1. Assessment of the fulfilment of policy requirements	3
3.1.1 Missing the target groups	4
3.1.2 Autonomous progress	5
3.1.3 Non-performing institutions	6
3.1.4 Follow-up of evaluation parameters	6
3.2. Actual performance of development cooperation in Guinea-Bissau in relation to some general principles and policies of aid assistance	7
3.2.1 The judgement of relative effectiveness	7
3.2.2 Limited possibilities to apply all Sida policies	8
3.2.3 What constitutes the targets of savings?	9
3.3. The cooperation must change!	10
4. Recommendations	11
4.1. Re-establishing the focus on the target groups	11
4.2. Prioritization of multilateral debt relief initiatives conditional to reform programmes	12
4.3. The termination of central institutional assistance, focusing on local cooperation	13
4.4. Continued support to improved competence in economics	14
4.5. The size of and conditions connected to support	14
4.6. The effect of diminished Swedish support	15
4.7. Continued democracy support	15
4.8. Continued embassy representation	16
4.9. Short new agreement	16

PREAMBLE

The title of this report is " Is there a will to change?". It indicates the necessity to change, but is at the same time twofold in this message.

The question is directed to the Guinean Government that needs to change attitude in its position and effort to actually reform basic national services geared towards the population of the country, such as the education system and the health system. It is the opinion of this report that it is fully possible to achieve fundamental improvements in these and other areas with the assistance of donor resources and involving foreign and domestic competence. The problem is political and the responsibility for the severe limitations in this process so far, very much that of the Guinean Government.

The question is also directed to Sida and other Swedish decision-makers concerned, and requires some specific answers: If old (and new) cooperation partners no longer perform sufficiently or at all, is Sida, and others concerned, prepared to formulate firm conditions for continued support that might not correspond with previously decided policies concerning the responsibilities between cooperating parties? Would Sida, and others, be prepared to join forces with and submit to multilaterally initiated programs in this effort? Would Sida be prepared to allocate major parts of a country support through civil organisations if official institutions after a long period of time cannot guarantee basic results and progress in relation to agreed objectives? Would Sida be prepared to put actual improvements of the conditions for the intended target group in focus and adjust the means in accordance, even if it meant to abandon official institutions and ministries?

The suggestions from this report could signify a possibility for both parties to endeavour on such an attempt, at least partly.

EXECUTIVE SUMMARY

1. BACKGROUND

In 1994 the Secretariat for Analysis of Swedish Development Assistance (SASDA) presented an evaluation concerning the development cooperation between Sweden and Guinea-Bissau. The report was very critical and recommended conditional policy reforms by the Guinean Government and a result based strategy, for continued support.

Present Cooperation Agreement between the countries - covering the period 1 July 1995 - 31 December 1998 - reflects these views. The Memorandum of Understanding signed by both parties, states that "the extent and scope of the Swedish assistance after 1998 will be based upon the results achieved (as stated in the Memorandum of Understanding) under the period 1995-98."

Furthermore, financial resources allocated to Swedish development assistance through the Swedish State Budget have been substantially reduced the latest years. This also includes administrative resources. As a part of any possible reduction of the support to Guinea-Bissau after 1998, the Swedish Embassy in Bissau has been asked to propose alternate, and cheaper, structures for continued administration of Swedish assistance from that point in time.

2. THE STUDY

Against this background, the Swedish Government instructed in 1996 Sida to "make a thorough investigation of the development cooperation" with Guinea-Bissau. It was further stated that "the result (of the study) will form the bases of a decision concerning continued support to Guinea-Bissau".

The study has focused on two aspects:

- An investigation of the policy reforms carried out by the Guinean Government from 1995 to 1996.
- Results achieved in cooperation programmes or projects during the same period or any longer period that could be considered relevant.

Relevance, efficiency, effectiveness, long term impact and sustainability aspects concerning each programme or project should be assessed.

Sida should also be recommended on how to formulate any Swedish assistance after 1998 with reference to volume, time frame, priorities, implementation responsibility, conditionality and feasibility. The recommendations could also include an exit strategy.

The study was carried out by Stefan Sjölander, SAAC AB during six weeks in November and December 1996 and January 1997 and presented in the report "Is there a will..... to change?".

Data was collected through reports and other written material listed as appendix to the above mentioned report. Further information was gathered through interviews with representatives from the Swedish Ministry of Foreign Affairs, all relevant parts of Sida, the Swedish Embassy in Bissau and a very broad group of relevant Guinean representatives including several members of the Government.

The study will form a basis for what Sida will recommend to the Swedish Government regarding the development cooperation with Guinea-Bissau after 1998.

3. FINDINGS

The immediate impression from the study is that results in relation to investigated aspects and previous agreements, are limited or poor. Macroeconomic development is limited in relation to 1995 and substantially worse in comparison to 1994 measured through the indicators of inflation, terms of trade and State Budget deficit. The light in the dark is the growth of GNP, still one of the highest in Sub-Saharan Africa.

Progress in the area of structural reform is also limited. Although policy papers related to different sector programmes are being discussed - such as health, education and agriculture policy papers - few tangible decisions have been made or policies implemented as a next step.

Results (outputs and effects) in Sida funded projects or programmes are even worse. Almost no progress could be measured as an effect of ongoing sector programmes or projects. The worst results of all are displayed in the comparison between allocated financial and human resources in relation to actually improved conditions for the intended target groups. The exceptions from this rule relate to projects involving an autonomous institution in relation to its Ministry.

These findings have already been identified through previous evaluations concerning the whole country cooperation or in relation to individual sector programmes. What is new is that the same conditions are valid also for the development from 1995 to 1996.

The situation is, however, more complicated than what meets the eye at first sight, and any judgement or assessment of the development must be made in relation to the actual possibilities for the country and the Guinean Government to perform. This could be called *relative effectiveness*. Being one of the poorest countries in the world - a highly relevant factor in relation to Swedish development assistance priorities - macro economic performance could be considered as reasonable. The policy paper discussions that now take place are something that did not exist before the present agreement period. State Budget Revenues have increased as a direct result of Government initiatives. There are also still two years remaining of the present agreement period. Furthermore, limited progress in Sida funded projects is an effect also of applications of general Sida policies that could be questioned under the existing conditions in the public administration in Guinea-Bissau.

Even so, it is obvious that the development cooperation with Guinea-Bissau cannot continue in its present structure. The main reason for this is the lack of *will* from the Guinean Government, which manifests itself not only in unacceptable priorities of allocation of State Budget resources, but also hampers and hinders competence at different Ministries to act and try to initiate actual reform. This attitude ultimately also affects resource allocations to areas touched by Sida funded programmes or projects, primarily in the sectors of Education and Agriculture. Due to the lack of initiative from the Government and an inability to allocate increased resources to these areas, basic prerequisites for any positive development cannot be met. Thus, the impotence of the public administration, makes it impossible to attain good results from any project cooperation including any non-autonomous institution as a counterpart. This cannot at present be changed through continued attempts to develop different public institutions, since the position of these institutions is directly linked to the position and lack of will of the Guinean Government that has remained the same for a long period of time.

The development cooperation between Sweden and Guinea-Bissau should for these reasons be reviewed in a way that could mean important changes of present Sida policies, e.g. that support in cases like these should be provided only on conditional terms and only following tangible and implemented reform. This is in its first phase best done in cooperation with other (multilateral) donors.

Reduced development assistance to any cooperating country as a result of reduced financial resources allocated to Sida, should be reviewed in comparison of performance and development in all countries concerned at the same time and decisions be made based on some sort of common criteria why the support in some cases should be diminished or even cease. In such a comparison, and taking in to consideration the criteria that formulate the position of the Swedish Government and Parliament as far as

development assistance policies are concerned, it is far from obvious that the support to Guinea-Bissau ought to be the prime object of reduction of resources, including an assessment of the size of administrative resources allocated to the Embassy in Bissau.

4. RECOMMENDATIONS

The Swedish support to Guinea-Bissau after 1998 should concentrate on initiating and organising multilateral debt relief agreements between donors and with Guinea-Bissau. Any such agreement with the Guinean Government should be conditional to the implementation of sector reforms and introduced only after the actual implementation of the reform, what could be called purchase of reform initiatives. Furthermore, the agreements should technically be constructed so that disbursements are only paid directly to the creditors and in no way linked to or through the Guinean State Budget.

All "normal" capacity building projects taking place, that involve central public institutions should cease at the latest from 1999. Cooperation geared towards the target groups (prioritizing women and children in the villages) could as a complement continue or even be initiated at that time. These resources could be transferred through civil organisations or even regional or local public administrations as long as the final allocation to the target groups is secured. Prioritized and remaining cooperation sectors should be Education and Health/Agriculture, depending on the actual progress of multilateral aid programmes and the possibility to support these. Alternatively, Swedish support could be prioritized to include only multilateral debt relief agreement initiatives.

Support to the consolidation of political and civil democratization processes should continue as a prioritized area. The special Swedish responsibility in this field implies that Sweden should keep its Embassy in Bissau, irrespective of any decisions concerning the future development assistance.

Support through the Consultancy Fund should continue in its present shape, i.e. prioritizing capacity building in the area of economics (through support to individuals, not public institutions).

A bilateral agreement concerning continued cooperation after 1998, should not extend two years. During this period, the actual will - in a multidonor perspective - of the Guinean Government to carry out sector reforms and stop the mismanagement of public funds, should be tested, primarily through the means of multilateral debt relief agreements linked to purchase of reforms. If neither multidonor debt relief agreements can be made, nor any sector reforms implemented during this period, Sweden should cease all its development support to Guinea-Bissau, at the latest at the end of the period.

Sweden must be prepared to participate in any multilateral sector implementation program if actual reforms are initiated by the Guinean Government during this period. This, and the prioritization of financially related issues during the two year period following 1998, indicates that there is a need for continued support through knowledge of economics. This support could, during a transition period, be guaranteed through different structures, depending on what activities that will dominate the cooperation.

5. LESSONS LEARNED

Sida, and others concerned, should be motivated to change policy in relation to several recipient countries of Swedish bilateral development assistance. Long periods of non-performance or obvious lack of a political will to improve conditions, should result in ceased cooperation or a much firmer attitude materialized through conditional support. The latter is best done in cooperation with other donors, preferably through multilaterally initiated reform programmes.

There is a need to identify criteria for the implementation of the reduction of Swedish development assistance resources, including administrative resources. This reduction must be carried out based on coordinated opinions between Sida, the Swedish Government and Parliament. A coordinated policy between these parties could affect future resource allocations to Guinea-Bissau.

General Sida policies concerning responsibilities between and expected competence with different parties, are in fact not generally applicable in relation to countries concerned. This calls for a distinction of countries into different groups where different policies are applied in relation to the relative capacity of the countries.

The methodology chosen for this study should be reviewed. More resources should be put into an investigation of this kind that theoretically holds the power of recommending an end to the development assistance to a country that has received support for more than 20 years.

1. BACKGROUND

In 1994 the Swedish Government initiated a major evaluation of the development cooperation between Guinea-Bissau and Sweden, covering the period 1974 - 1994. The evaluation was carried out through the Secretariat for Analysis of Swedish Development Assistance (SASDA) and by, among others, Peter Svedberg at Stockholm University.

During a short period SASDA conducted similar evaluations concerning a number of other countries that Sweden support through aid assistance, e.g. Tanzania.

Why these countries specifically were chosen is not completely clear. The effect was, however, that the results of these cooperation programmes have been especially high-lighted in relation to the assistance to other countries.

The SASDA report concerning Guinea-Bissau was very critical in its conclusions. The opinion that donor aid actually created macroeconomic imbalances was put forward, especially concerning the exchange rate of the currency. Further, the report was critical to Sida project planning, monitoring and evaluation procedures, suggesting that the lack of stringency in these processes had contributed to the poor results of the cooperation. The lack of political will from the Guinean Government was identified. The SASDA report also observed that the absorption capacity of Guinea-Bissau was much more limited than the real inflow of aid contributions. SASDA proposed conditional support during a limited period of time, based on the actual implementation of certain structural reforms and a result based monitoring and management system in relation to programme and project cooperation areas.

The conclusions of the SASDA report had a major influence on the agreement between the countries for the present cooperation period, 1 July 1995 - 31 December 1998. In a Memorandum of Understanding (Memo) from December 1994 that formulates the objectives of the cooperation during this period, it is firmly stated a number of policy requirements and agreements concerning each applicable sector programme. An assessment of how these requirements have been fulfilled so far can be found as appendix 2 to this report.

In the Memo it is further stated:

" A Mid-Term review of the development cooperation will be undertaken in early 1997. Any decision on Swedish development cooperation with Guinea-Bissau after 1998, will be based entirely on achieved results and on the fulfilment of the mentioned policy requirements".

The Swedish Parliament has during the latest years decided on considerable savings of Swedish aid resources, both resources allocated to project or programme activities as well as

administrative resources, representing different parts of Sweden's bilateral support. It is the responsibility of Sida to propose to the Government how these savings should be realized.

In Terms of Reference to this study it is thus stated that,

" Due to budgetary constraints on the Swedish overseas administration, including aid administration, the Swedish Embassy in Bissau has been asked to propose alternative administration forms if the Swedish assistance to Guinea-Bissau should be reduced or cease after 1998."

2. THE STUDY

Against this background the Swedish Government (and Sida) has decided to bring forward the Mid-Term Review mentioned above. The assignment as expressed through the Terms of Reference (ToR) to this study, can be found as appendix 1 to this report.

As can be seen from the ToR, the study is focused on the agreements in the Memo and their fulfilment.

Apart from assessing the policy reforms carried out and the results achieved, the study should also judge and analyse evaluations carried out from the aspects of relevance, efficiency, effectiveness, long term impact and sustainability.

Further, Sida should also be advised on the structure of future assistance after 1998 concerning size/volume of the aid, time frame including an alternative exit strategy, priority sectors/programmes, implementation responsibility, conditionality and feasibility.

Data, necessary to undertake the study, was gathered conventionally through a massive pile of written information covering all possible aspects of the cooperation and in addition interviews and meetings with a great number of representatives from the Ministry of Foreign Affairs, Sida and a broad group of Guinean citizens representing everything from the Government to individual and independent knowledge of the situation. A list of these persons can be found as appendix 3 to this report.

According to the ToR, " The study will form a basis for what Sida will recommend to the Government as regards size and scope of development cooperation with Guinea-Bissau after 1998".

3. FINDINGS

3.1. Assessment of the fulfilment of policy requirements

An assessment of the fulfilment of the objectives and requirements stated in the Memo, can be found as appendix 2.

The immediate impression from this and other information is that results have been limited or poor in relation to objectives stated in previous agreements.

As can be seen from the information in the appendix, macroeconomic performance has deteriorated in relation to 1994 and remained more or less unchanged in comparison to 1995, displaying substantial deficits in the terms of trade and the State budget and a high inflation rate. Growth of the economy in relation to GNP continues to be positive and one of the highest in Sub-Saharan Africa.

In the area of fiscal policy, some minor reforms have taken place, aiming at the mobilization of domestic resources, not to be mixed up with a tax and tariff reform. This has strengthened the revenues of the State Budget. Simultaneously, State Budget expenditures have increased, allocating more resources to Government travels and official representation abroad. Through these supplementary allocations, it has not been possible to increase the levels of salaries paid to civil servants, by that contributing to a situation where public officials do not have the possibility to participate in project work in cooperating areas, since they are forced to seek other income apart from their insufficient wages as civil servants at their intended Ministry.

Furthermore, the technical standards of the State budget, accounting, payment and financial auditing systems are very poor and represent restricted possibilities of preventing misuse of public funds. This has been confirmed for approximately 10 - 15 funds of different kinds, identified and recognized at different line ministries, but still remaining outside the control of the Ministry of Finance. Since linkages between the accounting and payment systems are weak, further misuse can be judged as probable.

The weakness of these public financial allocation and control systems should for the foreseeable future exclude any assistance through direct budget support. Assistance in the shape of import support and balance of payment support should also be excluded, if the transfer of these resources means that the equivalent amount of domestic resources is released without previous agreements of intended allocations (to support domestic reform programmes).

As can be seen from the presentation in appendix, the actual utilization of additional State Budget revenues - transparently accounted for or not - has excluded any increase of resource allocations to health and education programmes.

If some progress has been made through an increase of accessible financial resources in the State Budget, no further development as compared to 1995 has taken place when it comes to structural reform in expenditure areas. Although a number of policy papers, for instance concerning the sectors of agriculture, health and education, are being discussed, no decisions have been made and evidently no policies implemented as a result of this.

Results (outputs and effects) of assistance organised through individual programmes or projects have also been limited or not visible at all. Although some minor progress can be noted measured through sector indicators such as the percentage of children attending school, obviously these improvements do not have the Swedish support as their prime source. Cooperation funded through Sida is mainly geared towards institutional capacity building with very limited results in relation to the development of central institutions.

Furthermore, it is difficult to make any more tangible statements concerning results in the shape of outputs and effects in different projects. The reason for this is that no regular follow-up or analysis of the results of the projects have taken place, since the evaluation of performance during the fiscal year 1994/95. The latest Swedish fiscal year covered a 18-month period, ending on the 31 December 1996. Until now no regular progress reports concerning the results of this period have been presented. The big evaluation of the education sector that took place 1996 ("Apoio Sueco ao Sector da Educacao na Guine Bissau, Sida Evaluation 96/7") is very critical in its conclusion concerning the impact of the support on the development of the sector, but does not present in any detail what kind of outputs and effects that have been attained in the cooperating areas. However, through interviews with all parties concerned and studies of additional and independent material, it would be fair to say that positive results achieved in the sector development cooperation between Guinea-Bissau and Sweden during 1996, are normally very few or sometimes do not exist at all. Separated from this you will find distinct exceptions (see below).

3.1.1. Missing the target groups

The above mentioned evaluation of the cooperation in the education sector, presents serious criticism concerning the actual effects of the support for the intended target groups, i.e. the poorest people outside the cities, with special attention attracted to women and girls.

This is also the view of this report, with the same conclusion covering all sector areas that receive support: agriculture, education and health. If a comparison is made between the

investment of human and financial resources in these sectors through the cooperation with Sweden, and the actually improved conditions for the target groups throughout a longer period, the word disaster comes close to your mind. The most severe criticism of all in this report is therefore that of the close to complete absence of target group improvements in spite of the allocation of extensive resources throughout a long period of time. As an example could be mentioned the disbursement of approx. 100 million SEK to projects in the agriculture sector during the 1990's (apart from domestic resources). Very few peasants could today probably witness about improvements in their daily life as a result of these investments. Through the deteriorated performance by the Guinean Government from 1994 and onwards, as compared to previous years, and the concentration on non-performing central institutional building projects during the same period, the target group effects of these projects have probably become even more limited during the latest years.

Most of these facts were known as a result of analyses and evaluations carried out prior to this study. What is new is that the same pattern remains also for the performance during 1996.

3.1.2. Autonomous progress

As has been mentioned, there are distinct exceptions from this rule of non-performing projects. Analysing what kind of sector support that has accomplished actual progress and what kind that has not, a pattern appears in the conditions surrounding the complete sector cooperation.

To simplify, this pattern could be expressed as all projects that work in an institutional environment without special fringe benefits and in a non-autonomous institution, do not progress. On the other hand, all projects that include some sort of fringe benefit resources or possibilities of topping up salaries and that perform in an organisation with some sort of autonomous status, make progress. The most obvious cases are the support to school book production (and distribution) at the Editora Escolar and the cooperation with the Laboratorio Nacional de Saúde Publica. Even if the sustainability aspects of these more successful projects could be questioned (focusing more on a high degree of efficiency instead of effectiveness), it is obvious that almost all Guinean counterparts have recognized the impossibility of achieving any actual progress through the development of their own public institutions without moderation of fundamental management and benefit conditions. The result is that all institutions involved strive towards an autonomous position in relation to their Ministry. Interesting to observe is that if they succeed, results - at least outputs - immediately start to improve.

3.1.3. Non-performing institutions

To summarize, the impression is that public institutions at present are in general more or less impotent as producers of results in the field of cooperation with Sweden. This is primarily a political problem, since competence does exist at different Ministries concerned. No signs of change in policy to improve these conditions have been visible for a long period of time. It should also be remembered that actual reform of any sector policy in any country, takes much longer to achieve than any macroeconomic reform that usually can be executed through a single Government decision. The thought of continued support to and through these institutions in this situation, does not seem to be very fruitful. An application of the most basic demands in the project planning and monitoring system of Logical Framework Approach and those of resultbased management, underline the need to adjust the principles of present sector programme cooperation.

3.1.4. Follow-up of evaluation parameters

According to the ToR to this study, certain aspects of each project area, as presented in previous evaluations, should also be analysed. These aspects are relevance, efficiency, effectiveness, long term impact and sustainability.

The assessment of all these parameters calls for a systematic collection of financial and other data during a longer period. To be able to collect the information concerned, usually projects, in their planning documents, beforehand each registered activity period (for instance on annual basis), have to structure the requested data in a shape that makes it possible to actually receive and interpret the information. Actual possibilities to do so have to be investigated, data continuously collected and submitted, etc. The aspects of relevance, long term impact and sustainability also require special analyses, beforehand and after project activities, often more in-depth.

As a rule, this has not been done in relation to ongoing project activities in Guinea-Bissau. Because of this, it would be difficult to present any more detailed opinions on these aspects, neither as opinions of this report, nor via the conclusions of other evaluations. As a general remark it could be said that relevance is questionable since projects have not started from feasibility or relevancy studies, but instead through individual and historical agreements, that efficiency and effectiveness are very low, that long term impact is very limited and that sustainability is uncertain. These conditions, and many others presented in this report, are not unique in relation to Swedish development assistance. On the contrary, they are valid also in a number of projects in other countries that Sweden supports through development cooperation.

What could be mentioned as the most obvious exception from these opinions concerning relevance, etc., are the project planning procedures related to the cooperation with Fundacao Guineense para o Desenvolvimento Empresarial Industrial (FUNDEI), which started in 1995. Not only was the project preceded by relevant analyses, but also managed through highly tangible and measurable objectives and adopted to a very realistic view of what can be accomplished in relation to actual conditions.

3.2. Actual performance of development cooperation in Guinea-Bissau in relation to some general principles and policies of aid assistance

From what has been presented so far in this report, it would be easy to conclude that the major part of current cooperation should cease on short or medium term. The conclusion could still be that it should, but before that a number of issues should be raised that might reflect that the situation actually is more complicated than what it appears at first sight.

3.2.1. The judgement of relative effectiveness

First, the definition of what should be the starting point for any assessment of actual results, must be recognized. Swedish support to developing countries is based on the principles and objectives decided by Parliament and "the good will" that is a part of all of this kind of assistance. Through the years, support has been provided based on the idea of this "good will". During the 1990's the aspects of efficiency and effectiveness in performance of aid activities have become more important, balancing the idea of offering support completely unconditionally or with limited demands in relation to the presentation of actual results. The definition by the Swedish Parliament of whom should be the ultimate receiver of Swedish aid is intended to balance an unlimited wish for more efficient and effective utilization of these resources. This is a very important aspect of development assistance, since a clean efficiency and effectiveness objective, would direct all resources to where they are least needed, namely the richest countries in the world with a very efficient and effective performance of the production of goods and services.

An assessment of how well Guinea-Bissau has performed in relation to requirements and agreements already presented, should therefore start with a judgement of the actual possibilities of the country to perform, what could be called an assessment of *relative effectiveness*.

Without doubt, Guinea-Bissau is one of the most underdeveloped countries that Sweden and Sida cooperate with. Both financial and human resources are scarce. A judgement of the performance must take these conditions into consideration; an application of the concept of relative effectiveness.

In this (new) perspective, macroeconomic performance during the investigated period could be considered as reasonable. It should also be recognized that the discussions going on concerning sector policy papers, did not exist two to three years ago. State Budget revenues have actually increased as a result of Government activities (even if the motives behind these initiatives could be doubtful). Only 1,5 years of a total of 3,5 have passed of the present agreement period. What will happen during the rest of the period remains to be seen.

3.2.2. Limited possibilities to apply all Sida policies

Furthermore, the causes behind poor performances might have their origin also in the application of some fundamental policy principles of Sida, the most obvious one being the so called "role investigation" (rollutredningen) or concept of role distribution. This principle states that the recipient country should hold the responsibility of all central project activities, including planning, monitoring and reporting procedures.

It must be considered questionable if this kind of policy is generally applicable in relation to each and every Sida country cooperation. It is more probable that "weak" countries like Guinea-Bissau, suffer from the application of these policies. This is also displayed through the projects in Guinea-Bissau that do *not* apply these principles, and that still remain the most successful.

The success of these latter projects is also based on the intense presence of expatriate staff, operating in the midst of the recipient institution. This combination of heavy dependency of external personnel support and relative progress, displays the need of expatriate resources to be present in the recipient country, both as part of the projects and - following this - at the Swedish embassy (or corresponding organisation), to be able to guarantee progress in project cooperation. It could be argued that the extensive presence of both operating consultants and embassy staff so far, has not signified any success in project performance in Guinea-Bissau. As has and will be argued in this report, this is however more due to political than administrative reasons. Therefore, the opinion of this report still is that an extensive presence of both embassy and project staff in "weak" countries like Guinea-Bissau, is a necessary but not sufficient prerequisite to attain agreed objectives in implementing project areas.

This also shows that countries like Guinea-Bissau will meet difficulties to stand up to any demands on a development cooperation policy funded on an idea of equal "partnership" between the parties, aiming at ceased dependency of further aid support on medium term. On the contrary, the most probable prediction is that these "weak" countries will need continued support for a long period of time and that the conditions of these cooperation programmes must be based on intense monitoring of all activities funded through aid support and very firm demands of "delivery before payment" (see further below).

As an alternative, support could - during a transition period - be allocated through other structures than implementing project cooperation. This will evidently affect the need of expatriate staff being permanently present in the recipient country (see below).

3.2.3. What constitutes the targets of savings?

This study has also, both formally and informally, been linked to the fact that the development cooperation between Sida and Guinea Bissau has been discussed as one area that could be subject to extensive savings, or even cease completely, as a result of diminished aid resources allocated to Sida from the Government.

Sida has been instructed by the Government to present suggestions concerning diminished aid resources in bilateral cooperation. Already at this point Sida is forced to carry out substantial savings of the agency's administrative resources, at headquarter and concerned embassies.

At this stage, it is hard to see what kinds of criteria that formulate the prerequisites and conditions for this work. In relation to specifically Guinea-Bissau, certain aspects linked to the need of reducing costs in this field, should therefore be presented.

"Weak" countries like Guinea-Bissau often display their weakness through limited performance in relation to other, more developed countries with access to more competence. In a situation when resources are to be reduced for the future, this could create a dangerous situation, where low relative effectiveness and limited access to knowledge and competence is compared and mixed up with performance in absolute terms, by that rejecting the results of the major part of aid supported activities funded by Sida in these "weak" countries.

These countries are as a result identified as suitable targets for savings of both administrative resources and resources allocated to bilateral project cooperation. If the reason is that they do not perform in relation to what could be considered reasonable, then they should be subject to reallocations or savings, as should all activities in all bilateral cooperation, independent of their relative effectiveness and possibilities. But if they are subject to savings only because they perform more poorly than others without consideration to their position, then this has created a severe situation that does not correspond with Swedish policies in the field of development cooperation.

The Swedish Parliament has, based on proposals from the Government, over and again decided that the poorest countries should be prioritized as receivers of Swedish aid assistance. How will this opinion eventually affect any decision aiming at cuts of the resources to development cooperation between Guinea-Bissau and Sweden?

Sida decides on all resources allocated to concerned Swedish embassies that are defined as development cooperation resources. The Government decides about the rest of concerned embassy resources and where Sweden should cancel, keep or install embassies. Parliament decides on which countries that should be the targets of Swedish development assistance and the size of this support. Evidently, in a situation where extensive savings are to be implemented in this field, all these different parties have to have a coordinated view of where (and perhaps also why, how and when) these cuts should materialize.

Following the conclusions of these arguments, there is a risk that a change of policy and attitude in relation to development cooperation with Guinea-Bissau, could be viewed as an example of just how easy it is to intensify the pressure on one of these "weak" countries, while cooperation with other countries continues without the same increase of demands to improve performance.

Though this opinion could be correct, it is still important that the structure of the present cooperation with Guinea-Bissau changes, as will be further elaborated in the next section. This view is formulated based only on the findings identified through this study. If equal or similar conditions are at hand in development assistance in relation to other countries, then also these cooperations should modify. This indicates the need for similar analyses concerning the support to other countries.

3.3. The cooperation must change!

The opinion of this report is that the development cooperation between Sweden and Guinea-Bissau should be judged on its own merits, considering the actual possibilities for the recipient country to perform (as should all development cooperation).

Starting from this point, and considering all the specific conditions valid in relation to Guinea-Bissau, it is still obvious that the present structure and content of the cooperation must change.

There are a number of reasons for this. The most important and the source of others, is the lack of will from the Guinean Government that has been present during a considerable period.

In an assessment of what could actually be achieved in a cooperation of this kind, it is important to differ between what someone actually has the capacity, competence, ability or knowledge to do and what he is prepared or willing to do, i.e. to separate what he *can* do from what he *wants* to do.

Obviously, the Guinean Government at this stage does not want to cooperate in efforts to - through development cooperation with Sweden - improve basic conditions in the fields of

public health, agriculture and education. This lack of will manifests itself through the way budget resources are allocated, through the prevention of human competence at certain Ministries to actually participate in the reform of present conditions and through the inability to address central issues and make decisions concerning fundamental sector reform.

This lack of will formulates in itself good motives to completely cease the cooperation after 1998, if a more active attitude cannot be visible during 1997 and 1998. The situation is, however, a bit more complicated, and there are reasons to agree to a more constructive view.

The long cooperation with Guinea-Bissau puts Sweden in a position of special responsibility that would suggest one more attempt to attain more obvious progress in the development cooperation.

Guinea-Bissau still has two years to prove that the results in relation to agreed requisites in the Memo could be attained. Furthermore, both Sida and the Swedish Government have to decide on a programme on how to materialize decided budget savings, considering Government and Sida policies and development cooperation performance also in other countries than Guinea-Bissau.

During this period (1997-1998) an alternate cooperation policy could be formulated. Due to reasons already presented, it must at present be considered as almost impossible to continue any cooperation aiming at capacity building within central (ministry) institutions. It is also highly unlikely that any sector policy reforms could be implemented (though certainly decided) by the Government, during this period, primarily due to the low competence of staff below top-management at the Ministries.

4. RECOMMENDATIONS

4.1. Re-establishing the focus on the target groups

The Swedish support to Guinea-Bissau has already changed substantially during the last five years. Based on conclusions of moderate or even poor progress in different cooperation areas, not least agriculture, projects that probably should have terminated earlier, have eventually been closed down during this period. All in all, this signifies an already carried out, and major, change of the profile of the cooperation.

Even so, progress in remaining support areas does not seem to materialize (with a few exceptions). In this situation, Sweden and Sida could choose to end all cooperation or try to find out which are the major reasons to limited results and if there is a possibility to alter this situation.

The recommendation of this report is to try to identify these reasons, as has been done in chapter 3, and see if something can be done to change current positions, which will be presented as a proposal in this chapter.

In an attempt to do so, the original and basic idea of aid assistance should be "reestablished" and focused. The ultimate purpose of Swedish development support is to improve living conditions for the target groups. Cooperation that has lost its way in relation to this objective should therefore be closed down. Future project areas and mode of procedures should be formulated in submission to this ultimate goal.

4.2. Prioritization of multilateral debt relief initiatives conditional to reform programmes

Guinea-Bissau suffers from an extremely heavy external debt burden, consisting mostly of multilateral debts, a situation that cannot be solved through the country's own production and resources, not even on long term. The situation causes severe constraints on the possibilities of the Government to allocate necessary resources to health and education programmes (if there was a will to do this!), including reasonable salaries to concerned civil servants. To improve this situation and to direct Swedish support to an area outside the development of central institutions, assistance could -during a transition period- be prioritized to support initiatives to finance debt relief agreements, at the same time improving the possibilities of increasing health and education resources through domestic resource mobilization.

Based on previous (and very expensive!) experiences it could be stated that any attempt to try to change the attitude of the Guinean Government to actually carry out sector reform, would need a considerable force and clear motives and incentives. It must be considered as unlikely that one single bilateral donor represents such a party, especially in a situation where the relative importance of Swedish aid assistance is diminishing.

As a result, Sida and Sweden should prioritize and join forces with others in an attempt to investigate conditions and mechanisms that would make it possible to create a multilateral debt relief program for Guinea-Bissau. There exist many technical problems linked to such an attempt, already explored by others (e. g. the Dutch in a comment on IMF/IBRD initiatives). Some that could be mentioned is how to avoid to pay commercial debts, how to avoid that disbursements of debt relief money are linked to the Guinean State Budget and how to avoid a repetition of the same debt situation in the future.

What could be considered as even more important is, however, the need to lay down conditions for a very firm message to the Guinean Government that debt relief agreements can only be realized if structural reform is decided and implemented, in other words purchase of structural reform, and that no debts will be paid until actual sector reform has materialized.

As part of this conditional support, evidently the Guinean Government must take upon itself to allocate all domestic resources released through external funding of public debts, to sector reform programmes.

4.3. The termination of central institutional assistance, focusing on local cooperation

Simultaneous to the introduction of this new prioritized area, the major part - or all - ongoing assistance to central Ministry institutions should stop at the end of present agreement periods. Any attempt to try to continue cooperation in this field will, without doubt, only create new frustration and very poor cost efficiency and cost effectiveness. Institutional conditions at the central Ministries and public agencies, make it in practice impossible to attain even limited progress through development cooperation, at this stage. This situation is ultimately the responsibility of the Guinean Government, which has contributed heavily to the creation of these conditions.

These facts have already been both identified and recognized by different Swedish counterparts to Guinean institutions in the present cooperation. As a consequence a proposal has been presented that suggests restructuring of the support to the Education sector, already during 1997 and 1998, focusing on directly targeted improvements of the conditions at the schools and support to regional and local authorities instead of central. Out of the total support during these years, more than 60% is proposed to be directed to school children and only 7% to the central Ministry.

Included in this assistance is a pilot project in cooperation with the population in four villages that aims at an improvement of conditions that would support the participation of girls in school education. This is an example of a highly interesting project, high-lighting the direct linkage between development assistance and target group impact.

As another example could be mentioned the views of the Swedish University of Agriculture Sciences (SLU), counterpart to the so-called INPA institution at the Ministry of Agriculture; a cooperation that has now been terminated earlier than planned.

SLU put forward the opinion that it must be considered as doubtful if there at present is any possibility to continue any institutional capacity building project at INPA. SLU concludes that a more viable alternative could be to directly support research carried out locally by farmers, local farmers organisations or NGO:s, through the intermediation of an initial ad hoc group of Guinean and Swedish scientists.

Parallel to the top-prioritization of support to the elaboration of multilateral debt relief agreements, Sida could also after 1998 support these kinds of activities directed to regional

and local levels, including both public and civil organisations. Even new projects structured like this, could be decided both before and after 1998, as long as they focus on intended target groups and the real effects of the support to these groups can be registered and reported.

Project support should submit to multilaterally initiated reform programmes and thus operate in the same sectors as these. This could mean a continued prioritization on education or agriculture/health.

This target group oriented support should be regarded as supplementary to the prioritized engagement concerning the development of multilateral debt relief agreements. This means that Swedish assistance, as an alternative, could limit itself to participation in debt relief arrangements only, without any complementary engagement in sector oriented projects on regional and local level. In this alternative, *all* sector connected assistance should end as present project agreements end.

4.4. Continued support to improved competence in economics

Previously in this report, the opinion was presented that the public financial planning and control systems in Guinea-Bissau, are weak. The need to improve competence in these areas could touch on many different institutions, such as the Central Bank, the Ministry of Finance or central institutions of statistics. The present support to training and education in economics through the Consultancy Fund aims at improved competence at these or other institutions. Such assistance could be valuable to Guinea-Bissau, in many different respects, in the future and should continue also after 1998, but directed rather to individuals than institutions, i.e. that the assistance follows the individual as long as there is a connection between the utilization of this kind of knowledge and the possibility to improve public financial management systems. At present, the political will to actually use this kind of competence institutionalized, could be doubted.

4.5 The size of and conditions connected to support

Even in relation to already decided reductions of resources allocated to regular project development cooperation with Guinea-Bissau, it could be questioned if the volume corresponds to the ability of the country to actually absorb the full assistance and still keep up efficiency and effectiveness (and prevent misuse), especially in a situation where more support is geared towards regional and local levels, often signifying more cost-restrictive projects. This problem has already been observed by others (for instance the SASDA evaluation) and is still valid, or even reinforced, considering the decided and intended size of support from other donors than Sweden.

The European Commission has, as an example, decided on a five-year programme covering the period 1997- 2001 that comprises 47 Million ECU, approximately 400 Million SEK. If this support will be transferred unconditionally or including conditions, is unclear. It is in any case important that Sida will not be affected by a more "liberal" attitude from other donors, than what is being proposed in this report. All experience shows that such an attitude so far has not been fruitful in the development cooperation with Guinea-Bissau. If other donors want to continue to support Guinea-Bissau without linkages to actual performance, then this is their choice. If Guinea-Bissau chooses to prioritize the cooperation with such donors, then that is the choice of Guinea-Bissau. For Sida, the most important factor in this kind of cooperation should still be actual improvement of the conditions for the target groups. If this means that support should be directed elsewhere or is not asked for, then Sida should accept these consequences. There is always a need for resources in some other context.

4.6. The effect of diminished Swedish support

The conclusion could also be drawn, that the effect of a diminished or ceased support to Guinea-Bissau from Sweden, would be limited in relation to other donors. Swedish assistance represents at present something between 8-15% of total external support, depending on the source of the statistical information. Major multilateral donors have already decided to continue their support and will not change their position because of the decision of a single bilateral donor. Countries like France and Portugal will for other reasons, for certain, also continue their assistance. It is unlikely that even other Nordic donors would be influenced by a Swedish decision to withdraw.

4.7. Continued democracy support

Independent of which alternative that ultimately will be decided for the future development cooperation with Guinea-Bissau, including already presented suggestions for continued support or a completely ceased support, cooperation should continue in the area of Democracy and Human Rights.

The main reason for this is the important Swedish position and the role that Sweden has played, and still plays, in the ongoing democratization process in Guinea-Bissau. Democracy structures are still weak, both in relation to the civic society and in the public constitutional process and the division of responsibility between Presidency, the Government and Parliament. Pursuit of and threats against media representatives and representatives of civic organisations still exist. The constitutional, judicial process is still very weak. The Government has been identified trying to prevent the transfer of information concerning legislative proposals to representatives of the opposition. Sweden has repeatedly acted directly to protect individuals

from pursuit and is considered as one of the prime guardians and initiators of the democratization process, not least through present financial support.

4.8. Continued embassy representation

The Swedish position in this area also defines the necessity to continue the representation through a Swedish Embassy in Bissau. The protection of individuals as well of organisations, and the need to be able to act on short notice, suggests that Embassy representatives should be physically present in the country.

4.9. Short new agreement

A bilateral agreement concerning continued cooperation after 1998, should not extend two years. All in all, this gives the Guinean Government four years to show the will and ability to decide on and start the implementation of actual sector reform, by that also paving the way for successful sector project cooperations. This will should also be reflected in substantial reallocation of budget expenditure, prioritizing the sectors that are considered to be reform areas. This process could run independently, irrespective of donor initiatives in other areas, or materialize as a direct result of a donor strategy aiming at the purchase of reforms connected to multilateral debt relief agreements.

Should the Guinean Government respond to multilateral or bilateral donor initiatives structured the way they have been presented in this report, also Sida and the Swedish Government should be prepared to participate in the implementation of actual sector reform. The conditionality connected to continued support proposed in this document, makes this kind of obligation a part of the "contract". Furthermore, sector reform programmes initiated by multilateral donor organisations or multilateral financial institutions, can usually not present or make accessible human resources intended to be used as implementers. This task is not seldom a part of bilateral donor obligations or corresponding resources made available through bilateral donor competence or knowledge.

If neither multidonor debt relief agreements can be made, nor sector reform implemented, connected to or independent from the debt agreements, until the end of this two-year period, 1999 and 2000, all Swedish regular development support to Guinea-Bissau should cease, at the latest at the end of the period, restricting future development connections to possible humanitarian, catastrophe and democracy support.

Ref. No.

TERMS OF REFERENCE FOR AN INDEPENDENT STUDY ON SWEDISH
DEVELOPMENT CO-OPERATION WITH GUINEA-BISSAU

1. BACKGROUND

In 1994 The Secretariat for Analysis of Swedish Development Assistance (SASDA) carried out an Evaluation of Swedish Development Co-operation with Guinea-Bissau covering the period 1974-1994. One of the recommendations of the evaluation was that future assistance to Guinea-Bissau should require policy reforms by the Guinean Government and a result based strategy.

In September 1994 SIDA presented a proposal for a Country Strategy (including a Country Analysis and a presentation of Results) to the Swedish Government.

On the basis of this material negotiations with the Government of Guinea-Bissau were held in Bissau in December 1994. A Memorandum of Understanding was signed at that time. In June 1995 the Swedish Government took the decision on a Country Strategy for the development co-operation with Guinea-Bissau covering the period 1 July, 1995 - 31 December 1998. An Agreement was signed on 15 September 1995 indicating an amount of 122.5 MSEK to be used for activities within education, agriculture, health and a personnel and consultancy fund.

The Strategy stated among other things that:

"The period 1995-1998 is a test period. The extent and scope of the Swedish assistance after 1998 will be based upon the results achieved under the period 1995-98. The results from this period are expected to be better than before 1995. An independent study shall be carried out in the autumn 1997 and be forwarded to the Ministry for Foreign Affairs in January 1998".

Due to budgetary constraints on the Swedish overseas administration, including aid administration, the Swedish Embassy in

Bissau has been asked to propose alternative administration forms if the Swedish assistance to Guinea-Bissau should be reduced or cease after 1998. The Embassy's report was submitted to Sida in July 1996. The report will be reviewed by Sida in the autumn of 1996.

2. PURPOSE AND SCOPE OF THE EVALUATION

Against this background the time for carrying out an independent study to review the results of the Swedish aid has been suggested to take place in the autumn of 1996. The study will form a basis for what Sida will recommend to the Government as regards size and scope of development cooperation with Guinea-Bissau after 1998. This proposal is due to be submitted to the Government by the beginning of 1997.

The future development co-operation will determine the size of the Sida representation in Bissau after 1998.

3. THE ASSIGNMENT

The study shall focus mainly on two aspects:

- a) The policy reforms carried out by Guinea-Bissau during 1995-96
- b) Results achieved. These may cover a longer period depending on recent evaluations carried out. See further below.

Apart from this, the study shall briefly discuss the political role of Swedish aid to Guinea-Bissau and its impact on other donors.

The policy requirements of the Government of Guinea-Bissau and pre-requisites for Swedish aid were formulated in the Memorandum of Understanding (MoU) (see enclosure). Section 4 and 5 of the MoU shall constitute the requirements/pre-requisites against which actual performance shall be measured.

With reference to results achieved, the Consultant shall analyze and judge evaluations already carried out. The following aspects shall be considered:

- Relevance of the programmes/projects
- Efficiency
- Effectiveness
- Long term impact
- Sustainability

For a definition of these concepts, see enclosure.

The study shall cover the following areas (see further MoU December 9, 1994, enclosure):

General Policy Requirements

Agriculture

Education

Health

Personnel and Consultancy Fund

Democracy, Human Rights and Gender

Support to the Business Sector via FUNDEI

4. METHODOLOGY, EVALUATION TEAM AND TIME SCHEDULE

The Consultant shall through existing evaluations, his/her own observations and from interviews with relevant Swedish officials and Guinean counterparts, analyze and judge the above mentioned issues. The Consultant shall recommend to Sida how the Swedish assistance should be formulated after 1998 with reference to the following:

- Size/Volume of the aid
- Time frame (the Consultant may also suggest an exit strategy)
- Priority sector(s)/programme(s)
- Implementation (by whom)
- Conditionality
- Feasibility

The documents presented in Annex "List of References" shall be consulted.

Other relevant material shall be provided by the Swedish Embassy in Bissau or by sector departments.

The full assignment is expected to last 6 weeks out of which 14 days shall be spent in Guinea-Bissau. The Swedish Embassy will arrange relevant meetings in Guinea-Bissau.

The Consultant shall have the following background:

- Knowledge and experience of the Logical Framework Assessment
- Knowledge and experience of Result analysis
- Knowledge and experience of assessing Macroeconomic, Policy and Administrative reforms
- Familiarity with developing countries, especially Africa
- Knowledge of Swedish foreign aid policy
- The ability to read Portuguese and English, to speak and write in English; preferably to speak Portuguese.

5 REPORTING

The Consultant is expected to report the main findings and conclusions to Sida (REWA) by mid-December 1996.

A Draft Final Report shall be submitted to Sida no later than January 15, 1997. The Consultant might be expected to present the report at this time.

A final report (10 copies) shall be submitted to Sida not later than January 31, 1997.

Sida shall at a later date arrange a seminar within Sida in which the Consultant is expected to present the report.

✂ *The evaluation report shall be written in English and should not exceed 30 pages, excluding annexes. The outline of the report shall follow Sida Evaluation Report - a Standardized Format (see Annex 3, p 71 of Evaluation Manual for SIDA). Ten copies of the draft report shall be submitted to Sida. Subject to decision by Sida, the report will be published and distributed as a publication within the Sida Evaluations series. The evaluation report shall be written in WP 6.1 for Windows or a compatible format and should be presented in a way that enables publication without further editing.*

The evaluation assignment includes production of a summary according to the guidelines for Sida Evaluations Newsletter (Annex 1) and the completion of Sida Evaluations Data Work Sheet (Annex 2). The separate summary and a completed Data Work Sheet shall be submitted to Sida along with the (final) draft report.

Fulfilment of requisites agreed in the Memorandum of Understanding, December 1994

Policy agreement

"The Delegations shared the view that the role of Sweden's development assistance was to provide complementary support to Guinea-Bissau's own development efforts. The responsibility for planning, implementation as well as follow-up and regular reporting on the use of funds provided by Sweden, rests exclusively with the Government of Guinea-Bissau".

Requisites

1. " The Delegations shared the view that there is a need to further develop the judicial system, especially concerning the rights and conditions of women"

No judicial improvements of the rights and conditions of women have taken place. No judicial proposals that would improve the positions of the civil courts have been presented. Training and education of judges is ongoing. Through the already previously existing Tribunal de Contas there is a possibility for the public to put forward complaints.

2. " Major macro-economic imbalances remain, which call for the continued pursuit of structural adjustment, in line with the Policy Framework Paper recently presented"

IMF holds the view - not shared by all bilateral donors - that structural adjustment continues more or less in line with PFP.

Terms of trade, inflation and the State budget continue to show major imbalances on the same level as the deficits of 1995. As compared to 1994 both inflation and terms of trade have changed substantially for the worse.

Real growth continued as one of the highest in Sub-Saharan Africa on annual basis or measured throughout a longer period of time.

3. *".... the revenue performance needs to be significantly strengthened in order to.....increase the share of the social sectors in the national budget"*

The revenue performance has been strengthened through a quantitative increase of taxes and some minor structural reforms in the area, for instance concerning import tax on commercial goods. This does not represent an actual tax and tariffs reform.

Unfortunately, budget expenditures have increased with the same amount as revenues, primarily in areas of travelling and abroad representation. Due to this no significant increase of the share of the social sectors in the budget has been possible to materialize.

4. *" The Delegations agreed that the legal regulatory framework needs to be reformed in order to establish an enabling environment for private sector development"*

No actual reform has taken place. Previous initiatives have deteriorated. This contributes to a continued low level of private investment in the country.

5. *" The programming and monitoring of public investments must be improved. As to the contents of the Public Investment Programme (PIP), expenditure needs to be oriented preferably towards education and health"*

The technical monitoring and presentation of statistics have improved. Since almost the complete PIP is funded through donor resources, all investments should respond to counter value funds. These are however poorly accounted for, which opens doors to mismanagement and corruption.

The allocation of PIP-resources to the sectors of education and health, has decreased substantially from 1995 to 1996, both absolutely and relatively.

6. *" The economic reform process shall be pursued in accordance with the Policy Framework Paper for the period 1994-97.....include a sound macro-economic adjustment policy, a reform of tax and tariff structure, increased domestic resource mobilization, Civil Service Reform and an improved structure of government expenditures"*

The macro-economic adjustment policy is considered "on track" by the IMF.

Quite a few papers concerning a tax reform have been elaborated. Policy initiatives as a result of this work have not visualised.

Domestic public resources have been mobilized to some extent.

Civil Service Reform has not been initiated. A census concerning the public sector has, however, been carried out and a retrenchment program is running with some progress.

The government expenditure structure has not improved. Resource disbursements to health and education purposes have not increased. Furthermore, the possibilities to conduct financial and fiscal control through the public accounting and payment systems, are very limited. Confirmed misuse of State budget resources exists. Unconfirmed misuse is likely. In addition, allocation to salaries has decreased substantially, suggesting an even worse situation concerning the level or payment of salaries to civil servants.

7. " The Delegations also agreed upon the need to continue the financial sector reform in order to promote the access to medium and long term credits. " .

No significant increase in access to medium and long term credits (for private investment) has taken place. The level of private enterprise investment is still very low.

8. " The Delegations agreed that an independent audit system was essential, and that mechanisms to review and act on audit results needed to be strengthened. All foreign assistance should be reflected in the national budget. " (Dependant on the information made available by the donors)

No improvements of internal, domestic, public audit systems have been initiated or implemented (at the Central Bank, there already exists a system for financial audit of public expenditures and revenues). Almost no foreign assistance resources are reflected in the national budget, a result of donor policies and behaviour.

Agreements concerning sector programmes or projects

9. The cooperation in the agricultural sector has as its main objective to create better conditions for sustainable utilization of natural resources, increased agricultural production and improved productivity. This will be accomplished through measures to reinforce key functions within the Ministry of Agriculture, to strengthen research and experimental activities, to improve extension services and to produce reliable agricultural statistics.

Key functions within the Ministry have not reinforced, including or excluding the effects of Swedish support. Research and experimental activities have, in some sense, strengthened during a period of time, though isolated from actual influence. Agricultural statistics have been produced, but their reliability is doubtful.

10. A prerequisite for a successful co-operation in this area is that the Government defines its strategy for the agricultural sector and formulates and implements an adequate agricultural policy.

The elaboration of a policy document has been ongoing for several years, but has not finalized yet. Therefore, no implementation of the policy has taken place.

11. The main objective of the support to education is to increase the quality of the primary education and to rationalize the utilization of available resources. This shall be reflected in an increased rate of students that completes primary education, an in the longer term an increased enrollment in primary school in general and an increased share of girls in particular.

The rate of students that complete 6:th grade is almost unchanged at a rate of 36-37 %.

Both enrollment and the share of girls attending school have increased slightly throughout the 1990's, girls from 17 to 20% during a five year period.

12. A pre-requisite for a successful co-operation in this area is that the Government accelerate the reforms as regards the administration and pedagogics in the educational sector, with special emphasis on the teaching language and an increased share of female teachers and students.

None of these prerequisites has been fulfilled. No information was available concerning the possible change of the share of female teachers, that amounts to 17% in June 1996.

13. In addition, the Swedish delegation stated the need for decentralization, an increase from 10 to 15 per cent as regards the share of the educational sector in the expenditure budget, a reduction of the number of administrative personnel and a reliable audit system.

None of these requests has been met. The reduction of the number of administrative personnel exists as one item in a program of reforms within the sector.

14. The main objective of the support to the national health laboratory (LNSP) is that LNSP develops into a well-functioning health laboratory with the main concentration on infectious diseases and strengthens its functions as a central laboratory. The aim is that LNSP shall be a professional autonomous and functioning part of the Guinean health system by the year 2000.

Activities aiming at the fulfilment of the objective are ongoing and on track. Effects of progress at the laboratory are hampered by poor performance at the Ministry of Health.

Interest in financing the activities at an autonomous laboratory from the year 2000 is still unclear.

15. The main objective of the Personnel and Consultancy Fund is to strengthen and render more efficient the public administration through institutional capacity building activities, mainly in the macroeconomic area.

The public administration shows no signs of becoming more efficient, including or excluding activities financed through the Fund. This is more a political than an administrative problem.

16. The main objective of the support to democratization and human rights is to, in close co-operation with other donors and in dialogue with the authorities of the country, participate in the follow-up of the first general elections to parliament and presidency, support independent national human right organizations and to strengthen women's political and civic rights.

Activities more or less consistent with the objective.

Interviews, meetings

The Swedish Ministry of Foreign Affairs

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Carl-Erhard Lindahl
Eva Cassel
Pia Bolte

Sida-Stockholm

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Agnelo Regalla
Helder Vaz
Jennifer Edwards
Hugo Monteiro
Fransisco Correia
Budgetchefen på Finanssen
Peter Johansson
Christopher Hill
Bernardino Cardoso

Other representatives

Renato Aguilar
Åsa Stenman

And last, but not least, *Augusto Impane!!* My driver, guide, introducer, constant support and main source of information about the real and actual conditions in Guinea-Bissau!!

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Mängder med projektmaterial: rapporter, äldre utvärderingar, planeringsdokument, mm

Material framställt på ambassaden, främst uppföljningsrapporter av olika slag.

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Department for Natural Resources and the Environment
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