Sida Evaluations Newsletter

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Key issues

KTS projects are characterised by contractual arrangements between competent partners. The projects, which are demand-driven with shared costs, are limited in time and financial volume. Since KTS exclusively focuses on knowledge transfer with no material support, local organisations are genuinely interested in projects.

Local partner organisations often have a strong sense of what they need but are less clear on how these needs could be addressed. Consultants can support learning processes that eventually lead to strong local ownership in project formulation.

Local partner organisations value co-ownership more than a situation in which they would assume all responsibility.

Co-ownership neither decreases the quality nor the usefulness of knowledge outputs.

While project phases may be limited in time and scope, they are often extended over several successive periods. The long-term relationship between the local organisation and the consultant ensures continuity and successful implementation.

KTS could well be extended to countries that are socio-economically and institutionally less developed.

Co-ownership of Projects – Key Factor for Success in Technical Co-operation

Contract-financed technical co-operation (KTS), a form of development co-operation utilised by Sida in countries that have not qualified as traditional partner countries, has been highly successful, a recent evaluation concluded. Surprisingly, its success is not primarily due to factors previously considered as crucial – such as local ownership, being demand-driven, and limited in scope and funding – but rather the indirect effects of these factors.

KTS was first used in the late 1970s when Sweden decided to limit the number of partner countries to increase effectiveness. The KTS programme was then created to extend technical co-operation to a number of other countries that had reached a certain level of development and thus did not qualify as primary countries for Swedish development co-operation. Following the fall of the Soviet Union, the KTS model was extended to also include the new independent Central and Eastern European countries. Presently, Sida mostly funds technical assistance as KTS in middle-income countries and transition countries in Eastern Europe and Central Asia.

Teams attached to the Institute of Social Studies, The Hague, examined KTS projects in seven selected countries.[1] Conclusions and common denominators were later summarised in a synthesis report.[2]

KTS projects involve the transfer or development of knowledge in institutional and technical management, mainly through training or consultancy services. The idea is that these projects should not, in principle, include financial support for purchasing equipment. Rather, projects focus on collaboration with competent Local Partner Organisations (LPOs) that initiate projects and are prepared to share costs. KTS project phases are limited in time, scope and financial volume.

The most important characteristic of KTS projects is a special type of contractual arrangement by which the local partner organisation contracts technical assistance from a Swedish consultant. Although it is not a party to this contract, Sida provides primary financing. Sida expects to play a limited role in actual project identification, formulation and implementation.

Sweden has continued to provide support to Mozambique's energy sector, phasing out country programme support in favour of KTS.

PHOTO: VICTOR BROTT/GLOBAL REPORTING

Purpose of evaluation

The evaluation sought to clarify the particular characteristics of KTS as practiced and in which types of countries or partners this particular form of development co-operation could be used. The evaluation was also expected to provide information that could form the basis for a general policy on KTS.

The evaluation studied:

- How KTS was applied in different national contexts;
- How local ownership was manifested in KTS projects; and
- How KTS characteristics and local ownership were related in different national contexts.

The issue of ownership is particularly important. Sida characterises genuine ownership by co-operation partners as a basic prerequisite for success. "Experience shows that progress and impact will be limited if ownership is not there, almost no matter what resources are made available,"[3] Sida states. The evaluation therefore examined several aspects of ownership – outputs, objectives and processes.

Findings

The overall assessment was that these projects work well with highly committed consultants and local partner organisations. Since KTS exclusively focuses on knowledge transfer with no material support, local organisations are genuinely interested in projects and able to benefit from this knowledge. The emphasis on demand-driven projects also ensures that the local organisation is truly committed to the project and its objectives.

The evaluators particularly highlight the positive role played by involved Swedish

FACTS

Sida presently supports KTS projects in nearly 40 countries. These projects concern activities of strategic importance to development in the partner country, primarily in capacity development of public administration and environmental programmes.

Co-operation focuses on areas in which Swedish competitiveness and know-how are strong and has to a large extent, focused on capacity development of public administration and environmental programmes.

Each year, Sida decides which countries are eligible for support. These countries fall into two main groups: Support to transition countries, which is handled by Sida's Europe Department and support for primarily middle-income countries in Africa, Asia and Latin America, which is administered by Sida's KTS Division in the Department for Infrastructure and Economic Cooperation.

This form of co-operation, in which Sida is the financier and a non-implementing party, requires competent partners who have the capacity to plan and implement projects and to make good use of experience

[1] KTS projects in Botswana, Mozambique, Egypt, Guatemala, Lithuania, Mongolia and Ukraine were evaluated. The country studies are published as Sida Evaluations 03/09:01-06.
[2] Contract-Financed Technical Co-operation and Local Ownership, Sida Evaluations 03/09.
[3] Sida at Work, p. 39.

consultants. Consultants were both trusted and highly appreciated by LPOs and Sida. They were often described as hardworking, committed, open, friendly and flexible. They "have a very positive impact on local ownership," according to the evaluation. Their "non-dogmatic approach, and their respect for clients' decisions, have done much to strengthen relations, ensure strong local ownership, facilitate project success and develop mutual respect and confidence, as well as a sense of a common endeavour with shared objectives."

Since supported projects are limited in scope and time, there is a definite incentive for both LPOs and consultants to fulfil targets and achieve project success. Against this background, consultants and LPOs work together and develop genuine partnerships. "The evaluation has repeatedly observed behaviours and attitudes that indicate the development of genuine partnerships, including openness about own interests and values, mutual appreciation between individuals, shared pride in common achievements and strong sense of shared interests typical of such relations."

The limited size of KTS projects – with simple and clear objectives – contributes towards project success. Since KTS project phases also are limited in time, projects that perform poorly can easily be terminated. This creates incentives for both consultants and LPOs to achieve goals.

Concerning ownership of knowledge outputs – the transfer of knowledge and subsequent incorporation into the local organisation's practice – the studies found that nearly all projects could be regarded as 'success stories'. The same assessment was generally made for ownership of objectives. The evaluators underlined that the two are interlinked: where ownership of outputs was less than high, so was ownership of objectives.

PHOTO: PETTER BOLME/GLOBAL REPORTING

Ukraine is one of several transition countries that have received KTS support.

The evaluators also observed that ownership during the initial stages of project formulation generally was lower. However, this was not necessarily considered as negative. LPOs in several cases had a strong sense of what they needed but were less clear on how these needs could be addressed. The studies showed that even if Swedish consultants occasionally had a strong role in project formulation at the early stages, they also supported learning processes that eventually led to a strong local ownership in project formulation.

In implementation, LPOs in most cases shared responsibility with consultants for maintaining relations with Sida. The same shared responsibility also characterises the most pivotal aspect of ownership, namely control over management and monitoring. The evaluators suggest, on the basis of their findings, that the ownership concept can be expanded and viewed in a broader perspective. There are many dimensions to ownership – objectives, knowledge outputs and project processes. In these respects, it is a non-exclusive concept.

gained. The partner consultant may be a private company, an NGO, a semi-public agency, a Swedish government agency or the consultancy arm of such an agency. LPOs are normally public organisations, publicly owned companies or, in some cases, business associations. Generally, they are neither private companies nor non-governmental organisations. The LPO must have the technical competence in the substantive area of the project in order to fully benefit from the technical knowledge transferred in the project.

This "co-ownership" neither decreases the quality nor the usefulness of knowledge outputs. Co-ownership of objectives also forms a favourable ground for collaboration: "A shared objective is a more strongly held objective." Sharing processes, finally, reinforces ownership by easing the burden on the involved parties. The weaker party is able to assume responsibilities that correspond to its ability, thus developing capacity.

Finally, evaluators asked whether LPOs have a decisive influence over the choice of Swedish consultants, another ownership criterion. Consultants, it seems, were seldom selected by means of tender. Occasionally only one Swedish organisation met requirements and in other cases, the LPOs and consultants were already acquainted, having previously worked together. The LPO would then insist on that particular consultant. The consultant could also be suggested by Sida or might, in some cases, actually have participated in developing the project proposal. In spite of their limited participation in selecting consultants, LPOs in no way felt powerless or excluded. "In fact the opposite is true", the evaluation concluded. "What determines the LPOs influence is not primarily whether or not the choice is done through tendering procedures, but rather whether or not the LPO and the consultant already know each other."

Why does KTS work well?

While KTS projects always involve contractual arrangements, the exclusive use of Swedish consultants and a focus on knowledge transfer and development, project criteria are often applied flexibly and adapted to the particular situation.

As noted by evaluators, the cost-sharing requirement may, for instance, be waived for poorer but competent and committed local organisations. While project phases may be limited in time and scope, they are often extended over several successive periods. The demand criterion can also, as seen, in practice involve needs assessment by a consultant. Thus, it might be argued that the particular characteristics do not, in themselves, constitute the prerequisite for success. Rather, the long-term relationship between the local organisation and the consultant – built on mutual trust, respect and understanding of needs – ensures continuity and successful implementation.

The evaluators concluded that KTS could therefore well be extended to countries that are socio-economically and institutionally less developed. The key question is not whether a country is more or less suitable for KTS co-operation but whether competent LPOs can be found.

In light of the positive findings, the evaluators recommended:

Greater KTS visibility

Sida should increase visibility by taking a more pro-active role in explaining to LPOs what it hopes to achieve by using KTS. Informing Sida personnel, LPOs and consultants about its particular features, as well as being more explicit concerning the nature and theory of KTS, can raise awareness of this form of development co-operation.

Greater Sida commitment

To increase local ownership of projects, stronger and more explicit commitment is needed among Sida personnel involved in projects.

Broader KTS use

KTS may also be gainfully utilised in countries characterised by lower levels of institutional and other aspects of development than those normally associated with middle-income economies.

Local ownership of evaluations

The evaluators found that despite shared ownership in most areas, project evaluations were primarily carried out by Sida. Since local organisations are co-owners, they should also play a decisive role in evaluations, especially since these often form the basis for deciding on subsequent project phases.

The evaluators particularly highlight the positive role played by involved Swedish consultants, whom were both trusted and highly appreciated by LPOs and Sida.

PHOTO: PETTER BOLME/GLOBAL REPORTING

Striking similarities between countries

Evaluators examined the premise that KTS and local ownership differs between countries with different levels of institutional development. However, after jointly studying a KTS project in Mozambique, initiated by Sida as an experiment, and several KTS projects in Botswana, they found that despite the two country's varying levels of development the ownership characteristics were "strikingly" similar. They therefore concluded that the model could also meet with success in countries that are socio-economically and institutionally less developed.

Botswana was selected since it has previously been a major Swedish partner country which now receives KTS support while Sida continues to support Mozambique as a low-income partner country.

In Botswana, the five KTS projects concerned establishing a geographical information system, producing a national atlas, supporting electrical power management systems, market support for the telecommunications authority and support for an organisational reform of the farmers' association union. The project in Mozambique focused on strategic assistance to Mozambique national power utility, EDM.

All KTS projects in Botswana had been initiated by LPOs. "As far as could be assessed through the study of the project files and the interviews, the idea for the projects came from the local partners. The formulation of the proposals was in most cases done in collaboration between the LPO and the Swedish consultant, which each claiming to have played the most prominent role," the evaluators stated.

A clear example of a demand-driven project noted in the study was the project by the Department for Survey and Mapping to produce a National Atlas of Botswana. The request had come from a national NGO, the Botswana Society. Among others, the Botswana Society and the University of Botswana had long advocated that a national atlas should be produced. According to the LPO representative, Sida was first somewhat critical about the project idea. The idea was further explained during a visit of the LPO representatives to Sweden. Supported by a positive feasibility study and a positive appraisal of the feasibility study, Sida decided to finance the proposal. A large number of experts from both the civil service and the university subsequently contributed to the production of the atlas.

In Mozambique, the KTS project concerned support to the national power utility by SwedPower International, a Swedish consultancy subsidiary of state-owned Vattenfall. Sweden has supported the energy sector in Mozambique since the late 1970's, largely through support to EDM within its country programme. After more than 25 years of support, Sweden decided to phase out its involvement in Mozambique energy sector. In 1999, when the technical assistance support under the country programme came to an end, the Swedish Embassy in Maputo considered EDM eligible for support as KTS.

The main components of the project – which were mostly a continuation of existing, pre-KTS support – included a loss reduction programme, strategic support for regional power planning negotiations, power systems planning and operations assistance. Although the long previous period of support had improved EDMs competence, it faced both new technological developments and market liberalisation that demanded better negotiating skills and analytical capacity.

KTS could well be expanded to low-income countries such as Mozambique, evaluators concluded.

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Sida Evaluation Manual published

In May 2004, Sida's department for Evaluation and Internal Audit published a manual entitled "Looking back moving forward". The need for a manual with guidelines for evaluation managers has long been felt, especially in view of Sida's ongoing process of delegating more responsibility to its field offices.

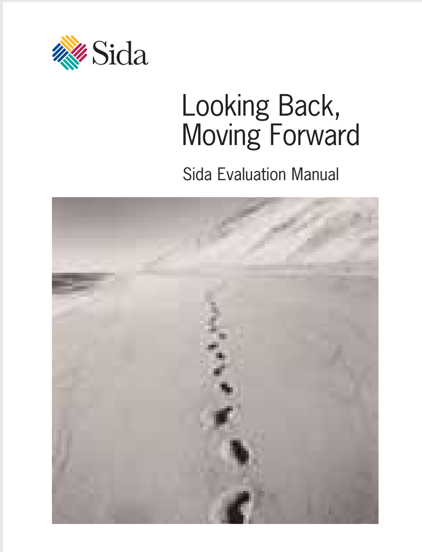
The manual has been produced for Sida by the Department for Evaluation and Internal Audit. It is primarily written for Sida staff, but can also be useful to Sida's co-operation partners and independent evaluators engaged in evaluations of Sida activities.

The manual consists of two main parts. The first part deals with the concept of evaluation, roles and relationships in evaluation, and the evaluation criteria and standards of performance employed in development co-operation.

The second part is a step-by-step guide for Sida programme officers and others involved in the management of evaluations initiated by Sida or its partners. The guidelines cover the main steps of the evaluation process, and provide practical advice on how evaluations can be tailored to the needs and interests of their intended users.

The manual discusses key issues such as the implementation of Sida's poverty reduction policy for evaluation.

If evaluating how an intervention has contributed towards poverty reduction proves difficult it is often either because we have not fully considered what poverty is all about or because it is unclear how the particular intervention is expected to help reduce poverty, the manual argues. However, evaluating poverty reduction is no different from evaluating any other goal or objective, according to the manual. Considering the multidimensional aspect of poverty, evaluations need to examine the intervention in relation to all main dimensions. It is equally important to recognise that the poor are not a homogenous category. An evaluation must ascertain if the intervention is built upon a correct understanding of poverty in its local context. According to the manual, questions about donor harmonisation and alignment of donor support with partner country development policies and poverty reduction strategies must also always be considered.



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