Sida Support for the Development of Institutions – Formal and Informal Rules

Reports from Kenya, Mozambique, Laos and Vietnam

Gun Eriksson Skoog

Sida

SWEDISH INTERNATIONAL DEVELOPMENT
COOPERATION AGENCY

Department for Evaluation and Internal Audit

Foreword

Institutions – formal and informal rules within which humans and organisations interact and perform – are a key to sustainable development. Supporting the development of institutions is a strategic issue – not least in view of the Paris Declaration and the current trends towards programme support and capacity development at systems level. Institutional development is also a complex matter. It is embedded in a country's history and culture and involves the linkages between formal and informal rules of behaviour. However, experience-based knowledge about how to successfully support processes of institutional change is still limited.

In 2004, Sida's Department for Evaluation and Internal Audit (UTV) launched an evaluation theme on support for the development of formal and informal rules. The primary purpose is to draw lessons from Sida's support to institutional development in partner countries and to enhance the understanding of institutions and institutional development. As a first step, an orientation and overview phase was conducted in close co-operation with Sida's operative departments and embassies to set the stage for evaluation. This phase was completed in 2005 and a series of reports were produced. This UTV Working Paper is one of them.

The report includes descriptive studies of Sida support for the development of formal and informal rules in four Swedish partner countries: Mozambique, Kenya, Vietnam and Laos. By painting a picture of and identifying issues related to support for institutional development, the reports are intended to help focus the evaluations. The study process has also aimed at stimulating reflection, dialogue and learning about the support and issues raised.

UTV extends a sincere gratitude to all people who participated in this process in one way or another and thereby made the process and the study possible. Special thanks to the staff of the Swedish Embassies in the four countries, who kindly hosted and assisted UTV staff in relation to the 'field' visits.

The major overall conclusion is that there is a striking gap between Sida's comprehensive, widespread and consciously provided support for institutional development in these four countries, on the one hand, and the uncertainty or lack of awareness of how Sida goes about and why, on the other. There seems to be an overall lack of strategy, approach and methods for the support – no systematic way of relating to the characteristic features of processes of change in formal and informal behavioural rules. In particular, strategies and methods for dealing with the factors that render institutional change particularly difficult – such as power, vested interests in the existing institutional set-up and prevailing ideologies and mind-sets – remain to be developed.

Gun Eriksson Skoog
Evaluation officer
Sida/UTV

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1   Introduction

Background

Institutions play a crucial role for sustainable economic and social development – on this there is a broad consensus within research as well as international development co-operation. By institutions we here mean formal and informal behavioural rules for social interaction.[1] Rules guide and structure the interaction between humans and organisations. They provide stability in our social, political and economic life, influence the way we behave and our societies perform, and are a key to sustainable development. Donors recognise this central role of rules and support the development of economic, political and social institutions in a variety of ways. In fact, supporting the development of institutions – or rules – is becoming an increasingly strategic issue for donors. The current trends towards programme support and capacity development at system levels highlight the role of well-functioning and development-conducive institutional frameworks.

Developing appropriate and effective formal and informal rules is not an easy task. The process of change is complex and embedded in a country's history and culture. This has implications for the role of donors – and raises questions. What can an external agency do to support processes of institutional development and change – processes that are inherently 'local'? And how can such local institutional conditions effectively be taken into account by donors? These questions prompted Sida's Department for Evaluation and Internal Audit (UTV) to launch an evaluation theme on support for institutional development. The purpose would be to explore and draw lessons from Sida's experience of such support in partner countries.

Before evaluations can be initiated we need to gather a picture of the support and of how Sida actually works with these issues. However, there is no readily available information on Sida's institutional development support. Even the term itself is used to mean different things. This makes it difficult to access relevant information. In combination with the fact that institutions and rules are themselves abstract phenomena, the lack of clarity about what Sida support means in practice is not surprising. It is also unclear what issues and possible difficulties staff working with this support are confronted with. To be able to plan the evaluations identifying such issues is a first step.

The present report includes descriptive studies of Sida support for the development of formal and informal rules in four Swedish partner countries: Mozambique, Kenya, Vietnam and Laos. These studies all form part of an orientation and overview (O&O) phase that initiates the UTV evaluation theme on support for institutional development. The O&O phase serves the double purpose of preparing the ground for the upcoming evaluations and providing a learning opportunity for those involved in the process.[2]

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[1]   Institutions are formal and informal behaviour rules for social interaction. These include, for instance, formal laws and regulations of political, economic, judicial and administrative activity as well as informal socio-cultural behavioural rules, customs, work practices etc. A clear distinction is made between institutions and organisations, where institutions may be regarded as 'the rules of the game' and organisations as well as individuals as 'the players of the game'. For further conceptual clarification, elaboration and examples, see UTV Working Paper 2005:3 (Eriksson Skoog, 2005c).

[2]   A brief presentation of the evaluation theme and the O&O phase, as well as a more thorough thematic paper and a brief project plan for the O&O phase, are available at UTV. (Eriksson Skoog, 2005a, b & c)

Purpose & Delimitations

The purpose of the four country reports is, first of all, to paint a picture of Sida's existing support for institutional development. This involves identifying and describing the contents and character of such support. What institutional development is it that Sida actually supports? How does Sida deliver that support in terms of approaches and methods, and taking the institutional context into account.

The second purpose is to identify difficulties, challenges and central issues related to support for institutional development. This includes those perceived by the actors involved as well as those that emerge in the study process itself. By painting a picture of and identifying issues related to support for institutional development, the reports are intended to be used as background information to help focus the evaluations. At the same time, the study process as well as the reports shall initiate reflection, dialogue and learning.

The country reports do not claim to paint a complete or representative overview of Sida support for the development of institutions – that task would have been overwhelming. But they do illustrate what the support can look like, its breadth and its diversity of forms. Similarly, the issues and needs identified do not claim to be a complete coverage of those of relevance. The country reports are complemented by other studies and activities conducted during the o&o phase. The reports are based on a restricted number of sources, about one-week's visit to each country and additional interviews before and after the field visits. Admittedly, what we have is a sketchy picture lacking in precision and detail; the level of ambition is moderate. The reports mainly give an overall view, stressing for instance Sida's approach and strategy.

No attempt is made in this study to summarise or draw conclusions from the observations and issues raised. At this stage, each report stands on its own – except for common issues raised after the Mozambique and Kenya cases and the Vietnam and Laos cases respectively. Eventually, a synthesis report will be produced. This will summarise and conclude the findings of the entire o&o phase of the evaluation theme – including those of the present four country reports.

Data & Method

Data for the country reports was collected mainly through interviews and conversations with stakeholders – Sida staff, local partners, other donors, consultants and some independent observers. Mostly this was done in the countries but also in Stockholm. To a lesser extent, Sida and other documents were used as sources. Since the study is also to be a learning process, focus was put on personal communications and interactions. This reliance on oral sources of data meant that reflection, dialogue and learning took place during the study process. Besides, given the fact that there is no clear standard terminology for institutions as rules within Sida, respondents could not be expected to be well acquainted with the concepts. For these reasons, all interviews and conversations used broad open-ended questions, where the interviewees and participants were allowed to freely elaborate their reasoning around our central study questions. The specific questions are presented in the reports.

The country reports are extensions and elaborations of initial travel reports written by UTV staff conducting the study. They incorporate feedback to the preliminary observations in the travel reports from the respondents, from group meetings with Embassy staff and from seminars where the reports were presented and discussed at Sida headquarters in Stockholm.[3] We choose country reports as the preferred form for presentation of the observations and analyses, in order to make the reports as concrete, easily accessible and directly relevant to Sida staff and other readers as possible. By describing the support and

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[3]   The travel reports are the preliminary observations and immediate impressions of the UTV staff conducting them, and are available at UTV (Eriksson Skoog, 2004 & 2005d).

the issues of importance directly in relation to the specific institutional context of the countries in question, an implicit intention is also to illustrate the contextual character of institutions and institutional change. The form chosen thus suits this particular topic well.

The country cases were selected to cover different institutional contexts and different 'aid' experiences. For practical reasons and given the moderate ambition of the study, only Asian and African countries were considered. Africa for long has dominated and continues to dominate Swedish development co-operation, and Asia had to be included because of previous UTV commitments. The individual countries were chosen to offer thorough and broad experiences to draw illustrations from, where large amounts of Swedish aid have been granted for several years, where important processes of institutional change have been or are taking place and where there appears to be significant Swedish support to such reform efforts. Finally, interest expressed in the country study by the Swedish Embassy and a practical possibility to visit both countries in each continent on the one occasion also influenced the selection – so as to both increase the learning potential of the studies and to facilitate their actual realisation.

It has not been possible to cover all areas of Swedish development co-operation in each country equally well. We have therefore chosen to focus on different areas of support in the different countries – areas that to a certain extent complement one another in coverage while they at the same characterise much of Swedish support in the respective countries.

Joakim Molander and the author, both from UTV, visited Mozambique and Kenya during 14–27 November 2004, while Vietnam and Laos were visited during 13–28 February, by a consultant to UTV, Begoña Barrientos, and the author. Two travel reports were produced, one for Mozambique and Kenya and the other for Vietnam and Laos. While the travel reports upon which these country reports are based were written by the author, the observations and analyses were made together with Begoña Barrientos and Joakim Molander. This is why the country studies sometimes use 'we' or 'our'. During the field visits, some 15–20 people were interviewed in each country, complemented with informal conversations and a number of group conversations/seminars at the Swedish Embassies. As mentioned earlier, interviews, conversions and seminars in Stockholm provided complementary inputs to the reports. All information sources, including people interviewed and seminars, are listed in the appendices.

The Reports

The four country reports follow a similar structure. Still, under similar headings, different aspects may be raised and emphasised, depending on the specific circumstances in the country, the issues raised by interviewees and during conversations, and the on-going and accumulating reflection and analysis of the UTV staff. Each report starts by describing Swedish support for development and change of formal and informal rules, how the support has been approached by Sida, and the different ways in which Sida has gone about to provide the support. The report then continues with discussing the institutional context in the country and how Sida relates to this context. Throughout the text, issues, questions and sometimes needs raised in relation the different topics discussed are brought forward. As mentioned earlier, certain common themes are briefly summarised after the two country reports for Mozambique and Kenya, and after the reports for Vietnam and Laos.

2   Mozambique Country Report

Mozambique suffered from civil war for many years. In spite of a positive political and economic development since the peace agreement in 1992, it is identified as one of the poorest countries in the world. According to the Swedish Government's Country Strategy for with Mozambique for 2002–2006 – which forms a central point of departure for Swedish development co-operation with the country – the major challenges lie in coming to grips with severe capacity and education weaknesses and in promoting economic growth. Swedish support during the current period should, according to the Country Strategy, hence largely focus precisely on capacity development and promotion of economic growth. These priorities are further motivated by past experience, which suggests limitations in the Mozambican partners' implementation capacity and ability to absorb support – for instance aimed at public administration and democratic governance.[4] Consequently, and as in the past, support for democratic governance including public administrative capacity continues to be a major post in the country allocations during the current strategy period.[5]

Mozambique then offers a good case for exploring Sida work with support for institutional development within the frames of capacity development and public administration. We therefore let these areas of development co-operation feature strongly in our inquiry. Capacity development is, in fact, an area that is closely related to that of institutional development. According to Sida's Policy for Capacity Development, support for development of formal and formal institutions, in terms of regulatory framework, is a central element of support for capacity development – in addition to support for 'the development of knowledge, competence and well functioning organisations'.[6]

2.1   Sida Support for the Development of Rules – Aim & Contents

In order to paint a picture of Sida support for institutional development in Mozambique and identify issues related to that process, we begin by trying to identify such support and its character. A first task is thus to explore what Sida support for institutional development actually looks like, or consists of. What kinds of formal and informal rules, for instance, does Sida support aim at developing or reforming?

Conscious Support for Change in Formal Rules

Sida staff forward the view that in the past, support for institutional development was mainly viewed as support for organisational development. Support for development of rules then only emerged as a 'by-product' of other support. Now, however, Sida is reported to work more consciously with supporting the development of rules. It is also our impression that Sida and its partners fairly consciously support change in rules of different kinds. Sida would in particular seem to work with formal rules at system level, to a large extent by supporting capacity development within the public sector and thus through interaction with the central government.

This focus is also indicated by the Country Strategy, where the aim of much support for government reforms of various kinds is clearly but implicitly expressed in terms of rules changes. Overall, such support is to promote a shift from a centralised and bureaucratic state apparatus to one that is more decentralised, transparent, efficient and service oriented. Significant support is directed at changing (institu-

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tional) systems of various kinds, such as to modernise and co-ordinate state budgeting, accounting and payment systems – hence to public financial management.[7] It includes, for instance, support for the Government's internal audit function, 'Inspecção Geral de Financas' (IGF), to the external Supreme Audit Authority reporting to the Parliament, 'Tribunal Administrativo' (TA), and to a broad overall and joint-donor supported public financial-management system.[8]

As suggested by interviewees, general budget support and sector programme support in fact both attempt to influence formal rules. Budget support, for instance, aims at promoting systemic change, by linking support to demands on reform processes – reform of entire systems of rules (and organisation) – and by basing follow-up on these reforms.[9] Similarly, sector programme support is mainly geared towards the establishment and change of rules for how the sector is to function. In Mozambique, Sweden provides sector programme support to, for instance, the so-called ProAgri programme at the Ministry of Agriculture. Whereas so far, the overall policy for agricultural development did not appear to have gotten (us informal but suggest retain) off the ground at the time of our visit, focus had instead been on elaboration of a public financial-management system for the sector – which in itself indeed involves the development of formal rules.

Less Conscious Support for Change in Informal Rules

There is also some support for change in informal rules. However, our overall impression is that it is partly less consciously provided, at least on behalf of Sida, and takes places at a lower level – often more directly in relation to the operations within projects. This support was most clearly illustrated within public administration projects – probably partly because we had the opportunity to interview people working directly with such projects. In these projects it often involves efforts to influence what may be referred to as work cultures. Several interviewees reported how part of the work with capacity development within public organisations in practice implies attempting to reform informal behavioural rules. In order to introduce and implement new formal administrative systems and procedures, work practices, routines and thus informal rules may also need to change, which in turn requires change in attitudes and behaviour. This means we came across efforts to change the role of managers – encouraging them to make decisions, to interact more with and promote their staff to take own initiatives – as well as at instilling a professional identity, work pride and discipline among the staff. In one of the projects supported, it was reported that attempts had been made to introduce norm systems, for instance about what constitutes good control and public organisational management, as well as a problem-oriented approach to analysis and a system-based way of thinking.

There is likely to be support to change in informal rules also in other areas, for instance through attempts at influencing behavioural norms and attitudes in relation to support for democracy and human rights (Demo/HR) through non-governmental organisations (NGO:s). Much of this support is channelled through a fund for Demo/HR, and several of its diverse objectives are expressed in terms of change in informal rules. Examples of such objectives are to promote 'a *culture* of peace, non-violence, *democracy* and *respect* for human rights', '*participation* of civil society in local democratic decision-making and administration', 'democratic *control* of state activities by civil society' and to promote '*respect* for human rights of women and girls and encourage an increased *participation* of women in political life'.[10]

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7   Ministry of Foreign Affairs (2001)

8   For an overview of the projects, see the project documents, for instance, Tribunal Administrativo (n.d. – first phase), and (2004 – second phase; in Portuguese); and as regards 'Inspecção Geral de Financas', Riksrevisionen (2002).

9   See Swedish Embassy, Maputo (2004d) for an overview of Swedish general budget support to Mozambique.

10   The emphasis is made by the author, and the words in italics suggest a changed behavioural pattern reflecting and in accordance with altered informal behavioural rules. Information and quotations from the homepage of the Swedish Embassy, Maputo (2004b). For an overview of the strategic framework for Swedish support for Peace and Demo/HR in Mozambique, see Swedish Embassy, Maputo (2004c).

It seems then, that much Swedish development co-operation with Mozambique appears to both include support directed at rules change and aim to develop rules, possibly to an increasing extent. In particular, efforts at changing formal rules are consciously supported. We noted, however, that familiarity with the institutional concepts varied greatly between interviewees, not least among Sida staff. Some interviewees already had a frame of reference to make use of. Others reported that they had never thought in terms of formal and informal rules before. Perhaps those working with public administrative reform appear somewhat more used to the terminology, but since they dominated our interviewee group our impression may be biased. In particular the concept 'informal rules' was alien to many interviewees, but once we gave concrete examples they all had had their own experiences and examples to refer to and inform us about.

2.2   Sida's Strategy & Approach to Supporting Development of Rules

Now that we have identified Sida support for institutional development and have certain ideas about what it looks like in Mozambique, we would like to know how that support is provided. How does Sida go about supporting change in formal and informal rules? This how-question can be separated into at least three broad sets of sub-questions. The first set, explored in this section, concerns Sida's strategy and approach to the support at an overall level. What strategy does Sida have and what approaches does Sida employ – if any – when providing its support for institutional development? What views on and ideas of how to go about achieving the aim of institutional change are there within Sida? And, what issues are raised in relation to Sida's approach and strategy?

Clear Empirical Approach to How to Start – But No Clear Strategy for How to Continue

Several interviewees shared their views on how Sida has approached its support for institutional development in Mozambique. Although we cannot claim to have obtained a clear and coherent picture, the following are some aspects that we have grasped. First of all, Sida's approach to supporting institutional development is by some interviewees characterised as empirical, step-by-step or organic – and would seem to apply to the old as well as the new perception of institutions. It implies starting by promoting small change, where it 'works' or seems viable to accomplish change, often focussing on technical issues, training or knowledge development, and often within a certain organisation. It further involves searching for solutions partly through a process of experimentation, trial-and-error – rather than grand-scale reform from the beginning. Then 'let us see where it takes us from there', the argument seems to go. Hence, 'do what you can first and develop the rest later'.

This seems to be a conscious approach for how to promote institutional change when it is difficult to deal with more fundamental underlying issues or systemic change at a higher level, and may be a useful approach for how to get things started. However, during our talks with the interviewees we were unable to detect any clear long-term strategy about how to proceed when the initial steps have been taken. The impression we gathered was that whereas there may be a conscious approach for how to initiate support for institutional change, there are less clearly articulated thoughts about when and how to proceed, on what grounds to make those decisions etc. So there appears to be no long-term strategy for how to proceed after the initial steps have been taken. Neither was it clear to us whether there was any long-term guiding vision of what one eventually hoped to achieve with support for institutional development, apart from the very broad aims expressed in the Country Strategy.

These observations raise the somewhat provocative question as to whether the process of change and thus Sida support for institutional development ever gets beyond those initial, more technical, organisational issues into change of the more fundamental institutional causes of problems of importance for poverty reduction. When this question was discussed with Sida staff during a debriefing meeting at the Embassy and seminars at Sida in Stockholm, a recurrent

view was that Sida tends to get stuck in old projects and processes. Sida needs to reflect more, it was argued, should revisit its projects and programmes more often and be willing to reconsider its support to and exit from them when the process is not working. The question raised may, however, be relevant not only for Sida support, but also for the larger scale reform attempts supported by several donors. Here the focus is reported often to be on technical issues and formal reform, while fundamental underlying informal political and socio-cultural rules are not addressed (to be further discussed below).

Further indications of an unclear or lacking strategy for continuation and its possible consequences are offered by the case of support for the State Financial Management Project (sFMP) of the Ministry of Planning and Finance. Both interviewees and an evaluation seem to suggest that the absence of a strategy for continuation, reconsideration or exit may have contributed to its failure. The evaluation notes that '[r]eview points with a more rigorous process and less propensity to roll over the project into its next phase would have helped reduce these risks' – risks of not progressing and achieving results, among other things.[11] *This raises questions as to what may be the consequences – of Sida's at least seeming lack of strategy for how to proceed – for the outcome of Sida support for institutional development projects or programmes.*

Organisational Twinning 'within a Box' – Linkages Missing?

Whereas the holistic or systemic aspect of Sida's approach may have been adopted in the past, it is less clear to us to what extent it continues to be applied in Mozambique in relation to support within public administration today. Some interviewees held that this is not the case within the joint-donor supported public financial management project or within the sector programme for agriculture, ProAgri. Whether the same applies within the bilaterally supported projects also remains an open question. In fact, we got the impression of a more narrow perspective.

Whereas one reason forwarded for adopting the twinning modality in support for capacity development was to enable a systemic approach, our impression is rather that a more limited approach is adopted, at least when in comes to supporting institutional development. As suggested above, twinning (and other) partners partly do seek to influence the change of rules, although partly implicitly, for instance in terms of administrative routines and work culture. However, this mainly takes place within a given organisation. This suggests that change of rules is supported within the institutional framework that establishes the limits for that organisation, in terms of for instance its mandate, who makes what decisions, hiring and firing etc. These rules are often determined somewhere else or at a higher level within the public administration. *To us, this would seem to suggest that Sida supports change 'within a box' of existing rules. This, in turn, raises the question as to what extent complementary and/or higher level rules in the context of a given organisation are considered and targeted. These rules may be root causes of the problems of the organisation and therefore decisive for change in the function Sida support intends to address. And to the extent that they are not addressed, how effective in promoting real change is the support 'within the box'?*

Furthermore, and at an overall level, it is difficult to see any clear idea about how to co-ordinate and link various kinds of support for institutional development coherently towards an overall goal. This refers not only to linkages between rules within the public sector, as illustrated above, but also between formal and informal rules, between rules at different levels, and rules for interaction between the state and the civil society.

Neither Approach nor Strategy for Informal Rules

Whereas we were informed about several approaches but no clear strategy within Sida for how to support the development of rules in general, it seems particularly clear that Sida lacks a strategy as well as specific approaches for how to support change in informal rules.

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[11]   McGill et al. (2004), p. iii

Implicit Top-Down Approach – Reinforcing the Executive Power?

As implied above, there seems to be a strong focus of support for institutional development at the central government level. This may partly be related to the fact that after the war, Mozambique was left with a weak state apparatus in dire need of capacity development. However, it also came out with a weak civil society. The central-government focus implies that there is relatively less promotion of institutional development through bottom-up support at local and/or civil-society level. This suggests an implicit top-down approach to supporting the development of rules. It is our impression, however, that this approach does not necessarily reflect a fully conscious choice. *Whether intended or not, the top–down approach would seem to suggest an at least implicit idea that it is primarily through the state, in particular at the central level, that institutional change is initiated and driven. This raises the question of what Sida thinks is the role of civil society, if any, in promoting the development of the state into one that is more decentralised, transparent, efficient and service oriented – and thus processes of formal government reform in general.* During conversations about these issues, one view forwarded was that a 'statist' perspective is often adopted by Sida, and some Sida staff highlighted the need to develop further Sida's co-operation with the civil society in Mozambique.

We further noted that the support is essentially targeted towards the executive branches of the state – the government and its bureaucracy, the public administration. The legislative – parliament – and the judiciary powers receive far less or no support by Sida or other donors. It was pointed out to us, however, that the top-down, central level and executive focus of support for institutional development is less pronounced in the Swedish support to the Niassa province. Nonetheless, the focus of the support would seem to run a risk of contributing to power imbalances in the Mozambique society, both within the state and between the state and its citizens – in particular, by reinforcing existing power structures. The executive power is already strong within the Mozambique state, dominating Parliament and the Judiciary as it is, and civil society and other groups in society such as media and the business society are weak. *The question must be asked if Swedish support contributes to and reinforces that power relationship.*

2.3   How Sida Provides Support – a Focus on Interaction with Others

Having explored Sida's overall strategy for and approaches to support for institutional development, there is a second set of how-questions of a somewhat more specific and perhaps methodological nature. How Sida goes about the business of providing support for change of formal and informal rules is a potentially very broad issue, however. It partly includes questions such as: Who does Sida choose to support and interact with? When in the change or reform process does Sida offer support? What role does Sida play in relation to other actors in that process? What factors does Sida try to influence? And through which means and what methods? And what issues are raised in relation to how Sida goes about the business? The information we got and the issues that were brought up in the case of Mozambique largely concern Sida's interactions with other actors, local partners as well as other donors, which is the subject of the present section.

Interaction with Local Partners

Working Informally – Potentially Useful but Difficult in Practice

Interviewees forwarded the idea, based on their own experience, that one way to influence change in rules – and presumably other changes as well – may be to work informally, for instance to build and maintain informal contacts with co-operation partners (counterparts as well as other donors). By meeting for a coffee or a beer, personal relationships and trust can be established that facilitate the intended processes of change. Individuals at the Swedish Embassy as well as some Swedish advisors within public administration report that they do work in this way. It appears, however, to be an individually based work-

ing method rather than a systematic approach consciously adopted by Sida staff. However, as pointed out by Embassy staff during a debriefing meeting when confronted with these observations, working informally is complicated for several reasons. For one thing, donors have agreed to economise on the time of Mozambican partner staff, which weakens incentives to make informal contacts on top of the formal ones. Secondly, there is often only one single channel into the counterpart's organisation, which may be difficult to by-pass. Finally, donors themselves often promote formal relationships by keeping meetings formal and with high-level representatives. This reinforces the formal character of interactions and renders parallel informal contacts difficult, not least at lower levels. Sida thus has a difficult contradiction between formal and informal relationships to solve, Embassy staff concluded. Moreover, some interviewees noted that there are also risks involved with 'going native'.

Identifying Change Agents – at Individual but Not Overall Level

The importance of identifying change agents among Mozambican co-operation partners and to work with them was highlighted by several respondents – within as well as outside of Sida. One interviewee held that it is crucial to pick the brave actors within the public administration, such as manages who dare to actually make decisions. Again, we found that this is done by individual Sida staff but not adopted as a strategic approach, and so not systematically and not overall. The implicit top-down approach to support for institutional development identified above, the corresponding focus on the executive power of the state, the seemingly unclear view on the role of other actors, notably civil society, in the process of institutional change at a national level – all of these would appear to lend further support to this conclusion. *The lack of a strategic and systematic way of relating to change agents raise potential questions for Sida, about how it views the role of different change agents – at various levels and spheres of society – in processes of institutional development, its own relationship to those agents and, of course, its own role in those change processes.*

Promoting a Western NGO Model within Civil Society

As noted earlier, there is certain Sida support for change of rules concerning Demo/HR directed through civil-society organisations. However, several interviewees raised concerns that this support (and that by other donors as well) runs the risk of unintentionally introducing and promoting a Western model for organisation, by focussing support to NGO, and so the NGO-form of organisation. The organisations supported are required to comply with certain rules for internal organisation in order to obtain support. As pointed out by interviewees, these requirements may imply that other existing or potential non-formal groupings – including traditional forms of organisation, networks etc. – within local communities may find it more difficult to obtain support and be forced to adopt a possibly poorly adapted Western institutional set-up.

When this observation was discussed with Embassy staff during the debriefing meeting, the view was forwarded that Sida needs to work more actively with civil society. This means, among other things, to analyse it properly and to work consciously with its change agents as a strategy for promoting processes of change, but also to better get to know the different actors within civil society. It was noted, however, that Sida's own rules impose constraints on what can be supported and forces it to apply the NGO-model.

Additional Issues on the Role & Potential of Donors

During the debriefing with Embassy staff we discussed the different issues related to supporting institutional development, in particular regarding approach and strategy as well as interaction with others. *A number of issues emerged concerning what Sida's role is and should be in relation to reform, and what relations it should*

have with its local partners. For instance, to what extent should Sida see itself as a development or change agent – if at all? Are there areas that should be protected from donor influence, in order to let the domestic process get going – and if so, what areas? Should rules and norms be left entirely to the country itself?

Other issues concerned the extent to which donors really should and can promote processes of change of the 'whole (institutional) system'. Some staff emphasised that this is not Sida's role. Sida can only engage in dialogue, it was argued, is only a small actor and cannot have such big ambitions. Other staff recognised that, on the other hand, Sida and other donors have largely distorted the government system (by accident) and contributed to creating space for corruption. This raises the question of donors' larger responsibility for the system to which they have contributed and continue to contribute.

Discussions of Sida's role in supporting processes of institutional development in partner countries also took place in relation to the other country studies as well as during the different seminars arranged at Sida in Stockholm. One general observation we made during those discussions applies also to the case of Mozambique. It appears that once we start discussing informal behavioural rules and Sida support for the development and change of those, issues of culture, norms and values come to the fore. It becomes obvious that donors are engaged in promoting and influencing certain values and thus cultures. This certainly also happens when change in formal rules are supported, but then appears to be more hidden and less clearly perceived as such by Sida staff and other actors. However, once these issues are clearly placed on the table, several individuals become uncertain and hesitant about Sida's role in such process of change.

Interaction with Other Donors

Donor Co-ordination – Particularly Difficult in Rules & Capacity Development?

Donor co-ordination has become increasingly topical for development co-operation in general, given the increased attention to programme support and upward shifts of focus towards the policy and system levels. Many interviewees thought it a highly important question for work with supporting institutional development. Several issues came up. For one thing, many interviewees noted the need for strong donor co-ordination and thus a common position, in order to effectively exert pressure for change on the government in the agreed reform areas and to avoid the risk that donors work or are played out against each other. On the other hand, some interviewees pointed out that too strong donor co-ordination runs the risk of donors 'ganging up', which may not only threaten local ownership, but even provoke resistance to change and thereby slow the process of reform. *There does seem to be a need – sensed by donors, including Sida – to find a proper balance in their co-ordination efforts so as to best promote effective institutional reform.* However, to what extent this issue is perceived important remains unclear.

Perhaps another issue is felt to be more pressing. Interviewees informed us that donor co-ordination is particularly difficult in relation to capacity-development support. One reason for this, it was speculated, may be that donor interests are vested in certain domestic advisors/consultants, which they want to promote. Another reason may be that there are different donor traditions and views upon what constitutes good solutions and implementing strategies. A brief review performed for the Nordic Plus Working Group on Capacity Development – which includes the joint donor and Sida supported macroeconomic reform programme, public financial-management and public-sector reform through UTRESP in Mozambique – made similar observations.[12] It found that whereas initiatives are taken to harmonise aid management including capacity-development efforts within a 'programmatic' approach at the policy level, very little is accomplished at the level of implementation. *Whether this co-ordination difficulty also applies to support for institutional development remains an open question, as it is not entirely clear what is meant here by capacity development. How-*

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[12]   Annex 3 to Gustafsson and Schmidt (2004)

ever, as capacity development at least by Sida's policy is taken to include institutional development, and the two phenomena partly overlap, this difficulty may apply to institutional development too.

One way to promote donor co-ordination suggested by interviewees is to work more informally with the other donors. This was also reported to take place to some extent. Another – related – way might perhaps be to better get to know and understand the other donors' internal formal and informal rules, such as work routines, but also perceptions and ideas about how and why to work in certain ways.

Donor Harmonisation– Loss of Lessons Learnt from Capacity Development?

Donor harmonisation of procedures is not perceived only as something good. Several Sida staff pointed at set-backs in Swedish support for capacity development (in the broad Sida meaning, including rules) related to increased efforts at donor harmonisation. At least two issues were brought forward. The first concerns what is perceived as some other donors' more narrow view upon and approach to capacity development, as essentially individually-based training and education. This approach is reported to contrast radically with the broad Swedish perspective accounted for above, where the whole organisation (or system of rules and organisations as well as the interactions between them) should be taken into account. The second issue was that there are also different views among donors on the ways in which technical assistance should be provided. Short-term support, expectations of rapid results and the adoption of ready-made models tend to dominate, some argued, while – again – contrasting with Sida's more flexible, long-term support and solutions that are perceived as better adapted to the local, practical realities.

The approaches to capacity development ascribed to other donors are reported to be particularly problematic for Sida in relation to programme support and when large donors are involved, notably the multilateral ones. One interviewee actually felt that Sida's approach to capacity and institutional development today is in a severe methodological crisis. Sida is no longer able to learn from its own experiences, or to incorporate its lessons learnt regarding methodological issues into support for projects and programmes that are dominated by other donors and where harmonisation demands are strong. This means that Sida nowadays supports capacity and institutional development through methods that date back to where Sida once started – and which, according to Sida staff, are the poorest methods. Whereas Sida has developed its thinking and methods for how to work systematically with capacity development including change in rules and organisations, it is no longer able to apply these when co-operating with other donors, it is argued.

2.4 Rules of Central Importance & Relating to the Institutional Context

There is a third set of how-questions of importance for our picture of Sida support for institutional development and for identifying issues related to such support. They concern how Sida relates to the institutional context – the set-up of formal and informal rules – in which it operates in the partner country. The embedded and complex nature of institutions and institutional change means that the surrounding set-up of already existing rules influences change in any individual rule. The institutional context therefore has implications for support for institutional change – just as it influences any other Sida-supported activity. In this section, we therefore ask: what institutional circumstances and related factors in the Mozambican context are identified as crucial causes of poverty or constraints on institutional development and the implementation and outcome of supported activities? And how does Sida relate to these institutional factors – analyse, understand, take into account, adjust to, make use of or otherwise address? Are there any issues raised in relation to these questions and their answers?

Informal Rules – Recognised but Not Considered?

The critical importance of various informal rules in the Mozambican context is evident and was repeatedly reported. Informal rules influence the success and speed of the reform processes as well as of donor support for such change. A set of informal rules were brought up. Firstly, highlighted among central informal political rules were: the close interrelatedness between the parliament, the government and the judiciary as well as between the state and the ruling party; the lack of transparency and accountability of state to the citizens; and loyalty-based appointments and performance criteria, especially for managers.

Secondly, informal rules in terms of the work culture, particularly within public administration, were highlighted by respondents – and partly traced to socio-cultural rules. The highly hierarchical structure of social relationships, centralised decision making – implying that only top managers can make decisions – the inability of employees to raise or discuss even operational problems openly, the lack of initiative and independent judgement and what was perceived as limited work commitment were repeatedly referred to as contributing to rigidity and slow change.

Finally, the underlying set of socio-cultural patron-client relationships and the associated rules for interaction – which seem to penetrate the Mozambican society at large and the state sector in particular – were brought up. These rules – depicting relationships, rights and obligations as well as interactions between people (as clients) and their leaders (as patrons) at all levels of society – were by most interviewees brought up indirectly. For example, as reflected in the informal political and work related rules mentioned earlier. To our surprise, few of the interviewees brought them up and named them explicitly – neither in terms of patron-client relationships on any other prevailing related terminology, such as patrimonialism, clientelism, the neo-patrimonial state nor as the economy of affection. Still, virtually all interviewees would seem to be familiar with the various expressions of these informal rules.

Given the circumstance that patron-client relationships seem not only to prevail, but to a significant extent penetrate the state and thus determine its functioning,, the question is raised as to which view Sida has on the state and its functioning in Mozambique. Does Sida assume that the state in Mozambique functions as in the Western World, only less well – as suggested by seminar participants in another context? Or does Sida recognise the influence and significance of patron-client relationships and the possibly neo-patrimonial character of the state? And what are the implications of Sida's support to the state if its assumptions of the functioning of the state, including not least its relationship with the citizens, are flawed?[13] As pointed out by seminar participants, care should be taken when reconsidering the role and functioning of the state, so that one extreme assumption – of a Western state – is not replaced by another simplification. The actual state in the specific case – in this case Mozambique – may in practice combine different theoretical models it was argued, and a careful analysis should be conducted in each particular case in order to offer a good understanding on which potential support can be based.

Poorly Functioning Judicial System – Central Constraint Unaddressed

A country's judicial system is a formal set of rules of fundamental importance. Several interviewees, including those from different donor organisations, recognise the judicial system as the most crucial sector for development and poverty reduction as its poor functioning imposes major constraints on the processes of reform and development. The judicial system in Mozambique is reportedly associated with widespread corruption and crime, and thus weak law enforcement. The 'rule of law' does not apply. Furthermore, interviewees explained that the judicial system is characterised by a patchwork of overlapping laws and regulations from different legal traditions – from the colonial period, the socialist system and the

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[13]   This issue was particularly discussed in the Kenyan case, so see the country report for Kenya below for some elaboration.

more recent years of market orientation. This patchwork creates inconsistency, a lack of clarity and uncertainty about which rules apply and how they are related to one another. As indicated earlier, the different state functions are meshed with one another – but also with the ruling party. In combination with the prevalence of patron-client relationships this surely means that the judiciary is not independent. One interviewee informed us that at least certain judges are not independent, but are political appointees. This was seen as a serious problem.

However, donor staff report that they find it difficult to support reform of the judicial system, as the Mozambican government appears to have no real commitment to effective change of the sector. To what extent donors really have made efforts to promote reform in this sector, or whether for instance the character and causes of its problems as well as potential resistance to change and forces in favour of reform have been analysed and identified, remains unclear. One interviewee said that donors are trying to do 'something', but we somehow got the impression that donors rather avoid the issue. Sida has chosen not to enter the sector in spite of its central importance, as clearly stated in the Country Strategy. *This state of affairs poses the question as to whether substantial development and poverty reduction is possible in Mozambique, without necessary changes of and within the judicial system. If it is not, there may be severe consequences for donor support.*

There are other issues related to the poorly functioning judicial system brought up by interviewees: corruption is one. We were informed about a series of actions that Sida is taking to combat corruption and a certain co-ordination of the different activities was also reported to take place. *A question that nonetheless comes to our mind is to what extent the underlying causes of corruption are analysed, understood and used as a point of departure for the anti-corruption support. At least three overall reasons for corruption and its reported growth over time in Mozambique were suggested by people we talked to: the prevalence of patron-client relationships, the development of a market economy, and the increased prevalence of foreign donors/aid.*

 Secondly, a tendency of donors to bypass Mozambican rules and laws and to set up their own imported parallel rule systems, for instance for procurement, thereby further undermining the formal judicial system, was brought up by one of the interviewees as a problem. *These issues in turn raise questions as to what the real effect on institutional change of donor support is. What rules do donors actually contribute to reinforcing and creating? Do donors even support rules that hamper development? And are rules supported by donors unintentionally?*

Legalistic Administrative Tradition – versus Sida's Empirical Approach

A related institutional constraint raised by several interviewees is a Latin formalistic and legalistic administrative system – a tradition inherited from Portuguese colonialism. It implies, for instance, that in order to initiate a reform process within the public sector, formal rules must first be in place before any actual reform can take off. First a law must be established, followed by regulations and decrees for its implementation etc. Hence, a series of nested rules must be established through several steps. This in turn suggests that the reform process, at least to a significant extent, must be fairly well designed already from the beginning. Another aspect of this legalistic tradition implies, we were told, that 'everything which is not explicitly allowed by the law is forbidden'. Both these aspects would seem to mean that there is limited scope for experimentation, in terms of a process-oriented approach to working through trial-and-error. The system is perceived as cumbersome and a hindrance to effective reform. Further complication is reported to stem from differences in preferred administrative approach between donors, depending on their own administrative tradition.

Besides, this legalistic administrative tradition seems to accord poorly with Sida's empirical and step-wise approach and is reported – if correctly interpreted by us – to contribute to inner tensions within the reform processes. *This raises the question as to how well adapted Sida's strategy is to the Mozambican tradition and hence to local circumstances. Additional questions emerge about what Sida's more long-term strategy for reform is: should*

Sida adapt to or promote change of the Mozambican formalistic system? Or more generally, which local rules are worth building on and which local rules hamper development and should Sida therefore promote change in these?

Lack of Capacity – But Knowledge Not Enough

The lack of capacity – in terms of competence, presumably, and thus perceived more narrowly than in Sida's policy for capacity development – was throughout identified as a central problem for effective reform. Especially the weak managerial/leadership capacity was referred to, but also capacity in terms of the level of education. However, weak management/leadership capacity is not only a matter of poor knowledge, as illustrated earlier. It is also largely a consequence of the heritage of prevailing formal and informal rules, such as loyalty-based recruitment and highly centralised decision making – and hence the incentives for behaviour that those rules give rise to.

Consequently, supporting the development of competence and increased knowledge through training, education etc. is important, but certainly not enough to accomplish change in the public sector, some respondents argued. Rules, including informal political and cultural rules, such as recruitment and performance criteria, decision-making rules and work culture, must also change.

3 Kenya Country Report

The Swedish Country Strategy for Kenya for 2004–2008 outlines the direction and focus of Swedish development co-operation with the country, on the basis of the development and current situation in the country as well as of past experience.[14] In the past, the Kenyan undemocratic political regime under President Moi made it difficult for donors to co-operate with the government. However, there was a fairly well-developed civil society in the country, partly because of the existence of a middle class. (As explained by one interviewee, this civil society and middle class share many of the values of the donor community.) Hence, many donors, including Sida, chose to co-operate with civil society organisations, so-called non-governmental organisations (NGO:s).

During the last decade, there has been a gradual movement towards increased democracy, pushed by the civil-society organisations from below. This eventually led to a change of government in 2002. The new government in fact came to consist of many of the former leaders of civil-society organisation. Since then, and in line with these developments, Sida has partly shifted its support towards including also co-operation with the Kenyan government and its state organisations. Whereas the political development thereby has improved in the country, the economic situation is reported to have deteriorated over the last ten years. Besides, in spite of the movement towards democracy, the political environment is still judged to remain highly undemocratic. Hence, democracy and human-rights (Demo/HR) issues – or as expressed in the Country Strategy: democratic governance and human rights, gender equality, popular participation and right of (co-)decision[15] – are still a priority target for Swedish development co-operation. Against this background, Swedish support for the development of formal and informal institutions within the areas of Demo/MR, channelled partly through NGO:s but also through the state administration, feature strongly in our inquiry.

3.1 Sida Support for Development of Rules – Aim & Contents

In order to paint a picture of Sida support for institutional development in Kenya and identify issues related to that process, we begin by trying to identify such support and its character. A first task is thus to explore what Sida support for institutional development actually looks like, or consists of. What kinds of formal and informal rules, for instance, does Sida support aim at developing or reforming?

Well-Developed Support for Rules Change in Demo/HR

To judge from our interviews, the Swedish Embassy in Kenya appears to promote a conscious, coherent and comprehensive support for both formal and informal institutional change as regards Demo/HR. As indicated above, there is still a strong general focus on support to civil society and locally developed initiatives, although this has been complemented with support to the government/state, mainly at a central level. As regards the promotion of Demo/HR, this includes for instance support directed at reform of the formal judicial and public governance system through the wide-reaching sector programme GJLOS.[16] However, support to the state also encompasses its interactions with civil society, and this takes place at various levels. Supporting change in informal rules has constituted a strong and conscious component in much of this support, not least in that directed through the NGO:s. This support has involved, for instance,

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[14] Ministry of Foreign Affairs (2004a) – for a more concrete overview of Swedish development co-operation with Kenya in 2004, see the Country Plan (Sida, 2004).

[15] Author's free translation of the Swedish term 'medbestämmande'

[16] Governance Justice Law and Order Sector – See M'Inoti (2004) for a brief presentation.

promoting change in customary law as well as in cultural traditions and practices. Also the focus of the work of the NGO:s is reported to have shifted over time – which means Swedish support to the institutional change promoted by these NGO:s has changed too. In broad terms, a gradual shift appears to have taken place from the provision of legal support to poor and unprivileged people, via efforts to influence and change social perceptions and norm systems, towards the promotion of reform of the formal legal system – including the constitution – in co-operation with the government.

Illustrations of this support are provided for instance by aid channelled to so-called paralegal organisations, such as the Education Centre for Women in Democracy (ECWD), which runs a paralegal programme in order to improve women's human rights and economic status. Within this programme, the ECWD attempts to influence rules in a number of ways. For instance, the programme attempts to influence reform of formal laws and regulations which discriminate against women, by lobbying for law reform and for the enforcement of new legislation. They try to influence discriminatory traditional laws, practices and socio-cultural beliefs that govern the personal status, legal capacity and role in the family of women – as well as the way that women may enjoy their formal rights, for instance to land property. They also assist women in identifying, claiming and enforcing their formal rights, for instance when statutory land rights are incompatible with customary law. Hence, through the ECWD, Sida supports efforts at change in informal rules as well as in the reformulation of formal rules and in their enforcement.[17]

Another example is provided by support to NGO:s fighting HIV/AIDS. At least one such organisation is reported to use 'culture as a change agent'. We understand this as an attempt to both do away with what is perceived as negative cultural (old and new) traditions (beliefs as well as behavioural rules) – such as 'widow cleansing' – and at the same time make use of the positive traditions that do exist in the local culture – such as 'protection of the girl child'.[18] Here change (as well as persistence) of informal rules seems to be used as a means, not a goal in itself. Sida support to, for instance, the government agricultural extension-services through the National Agricultural and Livestock Extension Programme (NALEP) and infrastructural 'Roads 2000 Programme' has also attempted to change informal rules, for instance by using participatory methods.[19] A final, but different example, of how Sida supports the development of informal rules, is offered by the Embassy's internal programme 'Rich and Poor'. The programme attempts to promote change in the political culture and debate, as reflected for instance in efforts to initiate debate in the media, in order to put inequality issues 'on the table' and thus alter the rules on what can be discussed openly.[20]

Less Developed Support in Other Areas

In other areas of reform supported, the conscious promotion of institutional change appears to be less developed. Support for public financial management, for instance, is a case in point. According to interviewees, it exclusively focuses on changing formal rules, despite the fact that Sida (and other donors, presumably) is well aware of the constraints imposed by existing informal ones. One interviewee illustrated this awareness by suggesting that one expression and consequence of the prevalence of informal rules may be the great divergence between the initial government budget and the actual outcome towards the end of the year – although poor formal rules also may be part of the explanation. The impression we got is that Sida, as well as other donors, hopes to be able to create incentives for the Kenyan Government to strive for change in the

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[17] For an overview, see Dulo & Tuiyott (2004).

[18] These examples of cultural traditions were offered to us by interviewees.

[19] For an overall picture of NALEP, see Sida (2003d). A suggested extension of Swedish support for NALEP, in accordance with Republic of Kenya (2005), was however not recommended by Sida's Project Committee (Sida, 2005c). For a brief overview of the Roads 2000 Programme, see Sida (2003c).

[20] For an overview of the project Rich and Poor, see, for instance, Swedish Embassy, Nairobi (2004).

formal rules. This change in formal rules should then support actors in favour of reform within the government, and that change in the informal rules thereby will follow more or less by itself.

Another area where support for institutional development appears to be less developed is within support for agricultural development. It does indeed involve elements of institutional change, such as through the introduction of participatory approaches and demand-driven extension services within NALEP – a large programme for agricultural extension services. Still, the impression we get on the basis of interviews and project documents, is that it continues with a strong production orientation, in spite of the fact that a new view on smallholder farmers as private entrepreneurs appears to be promoted.[21] This orientation implies that complementary institutional changes in relation to agricultural development do not seem to be addressed by Sida, other donors or the Kenyan government. The changes we have in mind are market development, the creation of a conducive institutional framework for private sector development in general and agricultural and rural development in particular, and not least property and land-right issues.

3.2 Sida's Strategy & Approach to Supporting Development of Rules

Having painted a picture – if only a most broad and sketchy one – of Sida support for institutional development, let us look into how that support is provided. How does Sida go about supporting change in formal and informal rules? This how-question can be separated into at least three broad sets of sub-questions. The first set, explored in this section, concerns Sida's strategy and approach to the support. What strategy does Sida have and what approaches does Sida employ – if any – when providing its support for institutional development? What views on and ideas of how to go about achieving the aim of institutional change are there within Sida? And what issues are raised in relation to these questions and their answers?

The strategy and approach of Sida support, as described below, were recounted clearly by several Sida staff interviewed. We therefore concluded that the way Sida views and works with these issues is fairly well established among at least Embassy staff. It is also partly reflected in the Country Strategy.

From Patronage to Rights – A Clear Vision & Strategy

We were told that in Kenya, Sida has identified weaknesses in Demo/HR as the major cause of the problems and constraints to development in all the areas where Sida is active and provides support. Secondly, existing patron-client relationships (more on them below) in the Kenyan society are identified as the major cause of these weaknesses in Demo/HR. On the basis of this analysis, Swedish development co-operation with Kenya in general aims at promoting processes of change 'from patronage to rights' (as a means to promote poverty reduction, of course). A change 'from patronage to rights' in our terminology involves thorough change in the overall set-up of informal socio-cultural and political rules that guide relationships and interactions in Kenyan society at large. Although not explicitly expressed, this may be interpreted as an attempt to change the fundamental relationship between the state and the public, so that instead of being clients, the public becomes citizens – with associated rights, as strongly expressed here, but presumably also corresponding responsibilities.

The strategy adopted is to break down the aim into four operational principles: participation, equality (non-discrimination), transparency and accountability, and to adopt these principles throughout the Swedish programme. As one interviewee put it, once one realises that HR threatens power structures, supporting HR becomes a strategy for changing patron-client relationships. Hence, as regards Sida support

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[21]   See also the response of Sida's Project Committee to the proposed extension of NALEP, referred to in a previous footnote (Sida, 2005c).

for Demo/HR in Kenya, and thereby the entire Swedish programme, our conclusion is that Sida has a clear vision and strategy for support for institutional change.

Comprehensive & Coherent Approach

Sida also has a fairly clear approach for how to promote change in the desired direction – i.e. a clear intervention logic or theory of change. As we interpret it, this is a comprehensive and coherent approach to supporting institutional development in the desired direction. This approach involves both direct support and mainstreamed support for Demo/HR as well as dialogue at all levels.[22]

In particular – and which ties it all together into a consistent whole – it combines a bottom-up with a top-down perspective and links the two. This means, among other things, that Sida works both with the government/state sector and with civil society as well as supporting the linkages between them. Hence, and just as in the past, Sida supports civil-society organisations for the mobilisation and promotion of demand forces for institutional change from below – change in both informal rules, formal rules and their enforcement, as described above. This is now complemented with support to the central government and state bodies, and can be interpreted as a means to promote the supply of institutional change – notably in formal rules, such as legal and judicial reform – from above. Here both direct support and dialogue are used as means. Finally, support is offered for the establishment of linkages between the state and civil society at various levels, in order to promote new relationships and rules – both formal and informal – for interaction and co-operation between them.

Promotion of these linkages is done through the mainstreaming of Demo/HR issues into all new Sida-supported activities. More specifically, it means that a participatory approach is mainstreamed into projects and programmes. This is reflected, for instance, in a shift of focus towards demand-driven provision of extension services and in the establishment of Focal Area Development Committees among small-scale farmers within NALEP.[23] Within the Roads 2000 Programme, broad representative committees are reported to have been created – seen by some informants as attempts to restore and formalise certain traditional but previously dormant rules for local democracy. These new ways for planning, implementation and follow-up of concrete projects and programmes at local level represent efforts at creating alternatives to the patron-client relationships and associated informal behavioural rules. Substantial efforts were also reported to have been made at central/national level, where seminars have been arranged for discussion of government policy proposals, with broad representation from civil society together with ministry and other government staff.

As illustrated here, Sida's approach to institutional development as regards Demo/HR includes and links support for change to both formal and informal rules – although not described in the institutional terminology by Sida itself. The concrete expressions of Sida's approach described here also illustrate the practical methods employed by Sida, which is the topic of the following section. As support for its mainstreaming of these Demo/HR and other issues, the Swedish Embassy has established an internal project named MAINIAC (Mainstreaming in Action).[24]

3.3 How Sida Provides Support
– on the Role of Donors & Change Agents

Our discussion of Sida's overall strategy and approach to support for institutional development above has already led us into a second set of how-questions of a somewhat more specific and perhaps methodological nature. How Sida goes about providing support for change of formal and informal rules is a

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[22] See, for instance, the Country Strategy (Ministry of Foreign Affairs, 2004a), p. 20.

[23] See Republic of Kenya (2005).

[24] See, for instance, Swedish Embassy, Nairobi (n.d.).

potentially very broad issue, however. It includes questions such as: who does Sida choose to support and interact with? When in the change or reform process does Sida offer support? What role does Sida play in relation to other actors in that process? What factors does Sida try to influence? And through which means and what methods? And what issues are raised in relation to how Sida approaches this task? The information we got and the issues that were brought up in the case of Kenya mainly fall within two broad areas: those concerning the role of Sida as a donor in processes of institutional development, and those concerning which local actors Sida chooses to work with.

Sida's Role as a Donor

Role of Donors in Promoting Certain Values

In Kenya, as well as in Mozambique and in subsequent seminar discussions, our respondents time and again raised issues related to donor-promoted values. Our interpretation is that once we start talking about rules and thus make them explicit, it becomes all the more clear that much of our work as donors involves promoting certain values. Values are reflected in all rules, also formal ones, but somehow seem to surface particularly clearly when informal rules are considered.[25] And once they surface, our role in influencing values seems to become a contentious issue. On one occasion, for instance, the view was forwarded that it is legitimate for Sida to support change in formal rules, but when it comes to informal rules, supporting change is highly questionable.

During group discussions at the Swedish Embassy, Sida staff expressed a need for reflection and discussion on whether it is the role of donors to promote or push for certain values, such as human rights, or not. One issue concerns who sets and who should set values. To what extent should donors promote certain culture, in terms of rules and values, given that rules and values largely can be seen as expressions of culture? Do donors have the right to impose their own rules and values and thereby in some sense their own culture? And what may be a reasonable position in terms of trade off with ownership – i.e. to what extent should donors push for change in certain values and rules, and to what extent should they respect locally owned values and rules? What should donors 'accept' in terms of culture and of what aspects should donors promote change? Perhaps donors should not push any values at all, but ask what values, rights and rules Kenyans want to change, and support their efforts to do so, was one idea forwarded. Or are there values that are global – such as human rights – that are legitimate to promote? A reflection on the author's part is that whereas the official goals of Swedish aid indeed do promote certain values strongly, at least some Sida staff seems to be uncertain about their own role in promoting those values. It appears that there is particular uncertainty and confusion in relation to ownership. This would seem to suggest that there is a perceived contradiction or conflict between forwarding certain values, on the one hand, and respecting local ownership on the other. It may further suggest that there is a perceived lack of clarity about the concept ownership, about what it implies in practice – what is to be owned and by whom? – and how it relates to and is to be traded against other values.

Others forwarded the idea that in interactions with local counterparts, Sida should not only hold certain values and take them as givens, but should clearly clarify this position and explicitly communicate these values to our partners in the country. It was argued that we should be more explicit about what values we want to promote or change – articulate our own values – and simultaneously stipulate that if they are not promoted we will withdraw support.

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[25]   Why this happens is unclear to the author. Perhaps it is the informal character of rules that make them so easy to mix up with values. (The concept norms, for instance, occurs in both meanings, as rules or as values.)

Strong Activist Role – As Broker & Net-worker

The Swedish Embassy in Kenya appears to have adopted a fairly strong activist stance, as illustrated by the work undertaken within its internal projects MAINIAC and Rich and Poor, mentioned above. Rich and Poor, for instance, is reported to aim at highlighting inequality issues and placing them on the political and public agenda. Interpreted in our terminology, this is an attempt to alter the political culture, in terms of the informal rules for what may be discussed e.g. in media. One way in which Sida has worked with this issue is that the Ambassador has published a series of articles in the Kenyan press. Several Sida staff acknowledges the notion that Sida should not become a change agent in itself, but also recognise that the actual practice is contradictory as Sida exercises a strong activist role through both these projects. They express a need for Sida to consider when to withdraw, and some efforts at preparing for such a withdrawal were also reported. *It nonetheless appears to us that whether Sida should adopt an activist or more passive position remains a question for further discussion, and perhaps even its role as a change agent – which may be a highly controversial issue.*

Another role adopted by Sida was reported by several interviewees and has implicitly been illustrated above. Perhaps it is adopted particularly when promoting linkages between the government and civil society and mainstreaming participation, within the frames of support for Democracy/HR. It is the role of an active net-worker and broker, and involves for instance initiating the broad participatory seminars on government policy proposals at national level, referred to earlier.

Sida-Supported Change Agents

The State as a Change Agent?

According to many of our respondents, once people from the NGO:s enter the state (which happened after the election in 2002 which led to a change of government) they stop promoting change. This was seen to be due to the formal rules of the bureaucracy and the informal rules of patronage in combination. Some interviewees also noted that it is not reasonable or realistic to expect individuals to resist the associated pressures to adhere to the prevailing rules or to change such structures. (One respondent referred to the state as an elephant, and argued that a person inside an elephant cannot change its actions.)

Some respondents claimed that the state is no change agent, because its actors lack incentives to change the existing order, initiative, learning opportunities and responsiveness. State administrators furthermore have problems in promoting the change of others, it was argued, since people in general do not trust people who represent the state. The idea was further forwarded that it is within civil society that learning takes place, through experimentation and close contacts at the local level, and that patron-client relationships must change from below. While this may be a somewhat biased perspective, *it raises a number of questions for Sida (and other donors), concerning what is understood about the situation of state agents in Kenya and what is expected of them in institutional reform and other change processes. To what extent and under what circumstances may they serve as agents of change, and in what respects, in Kenya? What incentives to drive or resist reform do they face, shaped not least by the informal institutional set-up? And to what extent does Sida seek answers to these kinds of questions?*

Role of NGOs as Change Agents

Whereas it appears clear that NGO:s as part of civil society have played a central role in Kenyan democratic developments, a number of issues regarding their actual and future role as change agents emerged in our discussion. Some of the issues perhaps important for Sida to explore and consider, are the following: are those who enter and govern the NGO:s driven by idealism or career opportunities? What happens to NGO members/leaders when they enter the government, the parliament and the bureaucracy – do they continue to promote change or not? To what extent does patronage prevail within the NGO:s themselves

and what are the consequences? What happens to NGO:s when they get larger amounts of finance, such as in relation to HIV/AIDS – is there a risk of corruption as within the public sector? Do some NGO:s emerge only in order to get access to those funds? *An overall question underlying all of this is of course what analyses Sida makes of the NGO actors, their incentives and roles, given the (institutional) context in which they operate and in the change processes supported. All of these questions offer examples of what donors might find important to take into consideration.*

A host of other questions concerning NGO:s were forwarded to us as important: why do the NGO:s in Kenya seem to be relatively weak now, after the improved democratic situation in 2002? Is it because they have lost people to the national leadership, because they now get less donors support, because they are criticised by media and others, or because their recruitment base is not as strong as it seemed to be? Is there a need for a continuous pressure from civil society and NGO:s for democratic development and thus for continuous foreign aid from donors to the NGO:s? Can NGO:s become self-sustaining, and if so, could such a process be supported by donors at all? If so, how? What is or should be the new role for NGO:s, now that a more democratic system seems to be in place in Kenya? Some stress the need for increased co-ordination, a fresh start and playing the role of a watchdog, whereas others emphasise the need to shift focus from political and human rights towards economic and social rights. As pointed out by seminar participants, most of these questions are primarily the concern of the NGO:s themselves. *They nonetheless suggest issues that Sida may want to consider while, at the same time, pointing at the importance of being clear about how Sida views and understands the functioning and role of NGOs, how it chooses among NGOs etc.*

The role of the state versus NGOs as change agents, discussed here and above, generates fundamental questions. What role does Sida ascribe to different actors in the desired processes of change promoted? What agents of change does it identify? Who does it choose as partners in development co-operation more generally – and on what grounds? As discussed below, the choice of partners may have important implications.

Supporting Power Imbalance?

The formal structure of a state may be thought of as a division of responsibilities and balancing of powers between the law making body (the parliament), the executive (the government and the state bureaucracy) and the judging body (the judiciary). Other actors in society performing crucial functions are for instance the media, civil society, the business community and the population at large. In Kenya, the patron-client relationships were reported to continue to penetrate the state. The executive power is already extremely strong in relation to the parliament and the judiciary (and the other groups outside the state). While Sida does provide support to other groups in Kenya, it is increasingly becoming engaged with the government and the bureaucracy. Just as in the case of Mozambique (where the issue appears to be even more pertinent), *the question may be raised if too much support is provided to the executive power within the state by Sida and other donors. Is Sida thereby running the risk of reinforcing the power of the state at the expense of the other groups – within the state as well as outside it? And – the more provocative question – does Sida thereby also feed the existing patron-client relationships with resources, knowledge and power?*

3.4   Rules of Central Importance & Relating to the Institutional Context

There is a third set of how-questions of importance for our picture of Sida support for institutional development and for identifying issues related to such support. They concern how Sida relates to the institutional context – the set-up of formal and informal rules – in which it operates in the partner country. The embedded and complex nature of institutions and institutional change implies that the surrounding set-up of existing rules influences change in any individual rule. The institutional context therefore has implications for support for institutional change – just as it influences any other Sida-supported activity.

In this section, we therefore ask: what institutional circumstances and related factors in the Kenyan context were identified as crucial causes of poverty or constraints on institutional development and the implementation and outcome of supported activities? And how does Sida relate to these institutional factors – analyse, understand, take into account, adjust to, make use of or otherwise address? What issues are raised in relation to these questions and their answers?

Informal Rules

The Patron-Client System – an Underlying Informal Institutional Setup

Central constraints on development (in general and reform in particular) perceived by respondents throughout were first and foremost all those related to the patron-client system of informal rules. These rules – social as well as political (and possibly also economic rules and relations) – permeated the entire Kenyan society. The system establishes rules for the interaction between the people and their leaders at all levels of society – patrons and clients – including relationships, rights and obligations. Patrons cater for and protect their clients in exchange for loyalty, and gifts and favours serve as important means to maintain these relationships.[26] The strength of these informal rules, and their wide-spread applicability throughout the Kenyan society, were reported, and it would seem that these informal rules often take precedence over the formal rules that exist, for instance within the state sector.

The patron-client system has many other implications for the development process itself as well as for reform and support for institutional change. It is often seen as an important factor in explaining the poorly functioning state sector in many African countries – contributing to what is by some referred to as the neo-patrimonial state. This was expressed by several of our interviewees to apply to Kenya. The neo-patrimonial state is held to perform the function of nurturing patron-client relationships by those in public positions at all levels. Another expression of the application of patron-client rules offered by interviewees, is a reported tendency by patrons at district or regional level (such as Members of Parliament, MP:s) to withhold counter-indicating information from their clients. The purpose would be to make their clients, the local population in the district/region concerned, believe that the benefits – in reality provided by the state or others – are provided by their MP. The prevalence of patron-client rules were also reported to contribute to reinforcing resistance to institutional change among patrons within at least two Sida-supported projects.

Corruption – Part of Patronage & Growing in New Areas?

Partly related to patronage is another problem highlighted as critical by interviewees: corruption, and thus the absence of law enforcement and the rule of law. Several interviewees clearly regard corruption in Kenya as an integral part of the patron-client system – corruption nurtures and is necessary for maintaining the system. In our terminology, corruption can be seen as a set of informal rules for how to behave in certain recurrent situations of interaction between (often, but not exclusively) state actors and people outside the state. To the extent that corruption is part of the patron-client system, it can perhaps be interpreted as one of many different expressions for the obligations of (state) actors to make use of any opportunities they have to nurture their relationships with 'the economy of affection'. While Sida is reported to address corruption issues to some extent in Kenya, it is unclear to us how prioritised it is. *It is also unclear to what extent the character and causes of corruption in Kenya are analysed and understood. While some staff sees it as part*

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[26]   The characteristics and expressions of the patron-client system probably vary – within as well as between countries – and varying terminologies are used to describe it. Chabal and Daloz (1999), for instance, refer to patrimonialism in Africa and 'disorder as political instrument'. Göran Hydéns concept 'the economy of affection', although with particular reference to the Tanzanian context, is classic. See e.g. Hydén (1980 & 1983).

of a patron-client system – and which in itself is explicitly acknowledged – it is unclear if this understanding is reflected in the way in which anti-corruption support is addressed by Sida.

We were further informed that there are large and growing private funds as well as foreign aid flowing into the health sector, in particular in support of the fight against HIV/AIDS. Instances of problems with corruption within a central government body of the sector were reported. These circumstances would seem to suggest a possibly increasing risk for corruption within the sector. Sida appears to have chosen to work primarily with civil society in support of the fight against HIV/AIDS, *but might there perhaps be a similar risk for corruption among NGOs, who also were reported to achieve all the more funds for this purpose? And how is this possible risk dealt with by Sida?*

Formal Rules

Legal System & Land Rights

In light of the high Swedish priority for support to Demo/HR, the formal judicial sector or legal system has been identified as a set of rules that impose important constraints on development and poverty reduction. The formal institutional and organisational set up of the state in general, and its legal system in particular, was described to us as a more or less intact remnant of the colonial apparatus for control and repression. It is reported to strike in particular against the poor and women, and is further characterised as repressive, authoritarian, undemocratic, conservative, poorly adapted to local circumstances and failing to ensure justice for the poor – and even less so to women – even when the formal law offers them protection. As reported earlier, a comprehensive legal-sector reform programme (GJLOS), which is also supported by Sida, has been launched by the Kenyan government.

One aspect of the judicial system is property rights, in particular land rights. According to interviewees, insecure land rights and other aspects of ownership, user and inheritance rights to land are a tremendous problem in a number of ways in Kenya – especially for women.[27] Apart from property rights being discriminatory, there are for instance inconsistencies between formal land rights and informal or traditional customary rights, and there is variation in customary rights over the country. Other issues are related to communal land right. All in all, property rights to land are complex and land-right issues are reported to be 'very sensitive'. As noted earlier, little Swedish support is offered for change in and development of land rights in Kenya – although some is offered in urban areas and more appears to be in the planning stage. *While recognising that land-right issues are both complex and sensitive and that the reform of them should be initiated, 'owned' and governed by Kenyan actors, it nonetheless seems motivated to ask how Sida relates to these circumstances and what action it is taking. Given the reported centrality of property rights in general and land rights in particular, not least from a rights perspective but also for agricultural and economic development reasons, the question inevitably emerges as to how relevant and effective some of the other activities supported by Sida may be, when the regulatory framework in this regard is so poorly developed.*

Character & Perception of the State

Wrong Assumptions about the State?

Given the patron-client system and its consequences, Sida staff raised the question if they make the wrong assumptions about the state and the way that it functions. There are at least two aspects of prevailing assumptions that may be questioned. *First of all, Sida staff asked themselves, do we assume that the Kenyan state is similar to the Western state, just less*

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[27] This is also, implicitly and to some extent explicitly, clearly indicated by in a recent Sida Assessment Memorandum of an extension (Phase II) of NALEP (Sida, 2005a).

developed and functioning less well? With such an assumption, focussing aid on knowledge development and technical issues – a possible tendency in some Sida and other donor support for institutional development – would seem to make sense. However, if patron-client relationships abound to the extent suggested, the state may instead perform different functions related to these, and largely be a formal structure in parallel to and integrated with the dominating informal patron-client structure. Still, as noted by one seminar participant, caution should be made not to fall in the trap of entirely disregarding the Western model of the state and without thought, replacing it with a model of the neo-patrimonial state. The actual state may in practice be a combination of both, which stresses the importance of making a proper analysis of the existing state in each specific case. Of course, the two models may serve to assist in this analysis. *This raises a number of questions for Sida staff. How can the state then be described – and how can the patron-client relationships within it be depicted? What functions does the state actually perform and what is the actual role of the state? And what are the implications for the identification of central problems, constraints and opportunities, their causes and possible solutions? What are the implications for Sida's analysis, support and ways of working in relation to institutional development?*

There might be a second implicit assumption prevailing among Sida staff – although this was not explicitly raised by the interviewees – that the Kenyan state is a nation state. *However, patron-client relationships are established largely along ethnic lines, which raise the issue of the extent to which the Kenyan state really should be depicted as a nation state. Is it more akin to a loose federation of ethnic groupings? To what extent is there a national identity and to what extent are identities ethnic-based, considering the circumstance that there are over 40 native languages in the country? Related to this is the question whether morality is generalised or particularised in Kenya. Do moral behavioural rules apply only within one's own ethnic group or also to those outside that group? If the Kenyan state is better depicted as a federation of ethnically-based patron-client relationships, what are then the implications for the functioning of the state and its development – and what are the implications for Sida support?*

One consequence of the circumstances suggested here, and which was addressed by respondents, is that politics and political parties do not appear to be based on ideas but on ethnicity. An upshot of this is weak political accountability of politicians to the population at large – as patrons they seem to be accountable only to their clients.

Taking Institutional Circumstances into Account – Contradictory Donor Tendencies?

Donor respondents seem to suggest that there are two partly contradictory tendencies within the development of foreign aid, creating what appears to be somewhat of a dilemma for staff in terms of a trade-off that needs to be dealt with. On the one hand, there is a reported tendency towards increased general and sector programme support, at least partly involving or reflecting a pressure towards fast disbursement of large funds. Somewhat simplistically expressed, this tendency would seem to imply rapid, large-scale, blue-print and top-down solutions that focus on formal rules and systems. Some interviewees refer to the World Bank as tending to roll out Western models with huge amounts of money, reflecting donor incentives to get big programmes out the door. This tendency is further reported to be associated with short-term conditionality rather than long-term perspective and thorough understanding of local conditions.

On the other hand, and to judge from our interviews and conversations, there seems to be a strong (possibly increased) recognition of a need for: a) thorough analysis of development problems and their causes – of understanding local conditions and social context, not least informal socio-cultural and political rules and relationships; b) accepting the long-term character of the processes of change supported, and c) adapting solutions to these specific circumstances and conditions. Our interpretation of several interviewees' views is that such an approach to development co-operation may require more of a gradual and organic process orientation, promoting development at least partly through a bottom-up approach that involves participatory processes of (institutional) change and that do take considerable time.

In relation to the suggested donor tendencies towards fast and large disbursements, blue-print solutions with a focus on formal systems, expectations of rapid reform processes etc. – as well as in relation to possibly faulty donor assumptions about the functioning of state, ignoring the significance of patron-client relationships – some Sida staff ask themselves: *Why do we pretend that the informal, the local context etc. does not exist, that thorough analysis and a long period of time is not needed? Why do we continue to promote technical solutions – what incentives do we face to favour those? Why does Sida not seem to learn from past experience and take the informal rules, the local context, the long-term perspective etc. into proper consideration? What incentives do we as Sida staff face in order to behave and perform in this way? Why do we not change? Why do we not seem to care?*

A number of possible explanations were suggested by the respondents. Somebody referred to the influence of Swedish culture, involving a focus on what is 'modern', 'technical' and on 'social engineering'. Others referred to a prevailing perception that it is 'bad' to impose conditions, while others noted that a focus on corruption and patron-client relationships may be interpreted as 'racist'. Yet others referred to the so-called disbursement goal.

4   Similar Issues in Mozambique & Kenya

Some of the issues discussed in the country studies of Kenya and Mozambique are of relevance to both countries, as indicated in the texts above.

Sida's Relationship to the Patron-Client System & the State

Among other things, our observations suggest that there is a whole set of questions concerning the way Sida views and relates to a) the state, its functioning, functions and role and the relationship between the state and the citizens in these societies, and b) the patron-client system of rules and relationships and its implications, not least for the state. These questions include, for instance, the following:

- *How conscious is Sida staff of the patron-client system in these countries, how it functions, varies and changes, and what its implications are for the functioning and performance of society in various ways and respects – for the incentives, behaviour, capacity and performance of individuals and organisations within the state, civil society as well as the private business sector?*

- *To what extent does Sida take this system of rules and relationships into account in its work with supporting institutional change as well as development processes in general – and if so, in which way? Does Sida adapt to the rules and relationships, make use of them, try to influence and change them or does it pretend that they do not exist?*

- *What assumptions – explicit or implicit – does Sida make about the state and the way it works? Does Sida believe and act as if the state works like in a Western society, only less well developed and less efficiently?*

- *Does Sida analyse, understand and consider the way in which the state actually works, taking its real role and function – internally within the state as well as in relation to its interactions with other parts of the society – into account? How does Sida believe that the relationship between the state and the population is shaped?*

- *Does Sida merely or mainly acknowledge and consider the formal rules and relationships of and within the state, while it forgets or disregards the informal, largely invisible – but perhaps most decisive – rules and relationships?*

- *If so, what are the implications of doing so for Sida support and its outcome, not least in terms of unintended effects?*

- *Does Sida view the state as a nation state, and is that always relevant? If not, what are the implications?*

Sida's Relationship to Different Actors

A related set of questions concerns Sida's role and relation to different actors in its partner countries:

- *How well aware is Sida staff of power relationships and balances – or imbalances – between different social groups and actors in these societies, not least between the state and other groups as well as within the state sector itself. And how aware is Sida about how its support and co-operation with some of these influences their power structures?*

- *How consciously and on what grounds does Sida choose co-operation partners, and how does it relate to different actors and groups in partner countries – not least so-called agents of change but also those who resist change?*

Some additional observations that apply to both countries were made.

Avoiding Difficult Institutional Issues?

In both Mozambique and Kenya, conversations with interviewees left us with the impression that some of what were referred to as the most central institutional causes of poverty and major institutional con-

straints to development were only recognised or addressed to a limited extent. Some of these often sensitive issues would appear not to be addressed head on – *are they perhaps even avoided by Sida and its partners?* Indeed, there are examples of Sida dealing with such 'difficult' issues to be found in Swedish support to both countries. Besides, it is difficult – perhaps impossible – for donors to address issues for which there is weak local commitment and no on-going local reform processes. Still, in the possible absence of such commitment and on-going processes, *the question emerges as to whether Sida has – if not a strategy – an idea about how to approach these crucial issues in the longer run. And even if there is weak government commitment to reform in a certain sensitive area, does this exclude the demand and commitment for such change elsewhere in society? To what extent has Sida explored that possibility as well as the opportunity to identify alternative partners?*

Examples of such sensitive issues are:

• Property rights in general and land-right issues in particular (in both countries)

• The judicial system (in particular in Mozambique)

• Informal rules within the state sector as well as in general, for instance the prevalence of informal political relationships and powers and the consequent informal administrative routines within public sector as well as patron-client relationships more generally (in both countries with the exception of Demo/HR in Kenya)

• Corruption, as one example of informal rules (in particular in Kenya, as it appears)

Budget-Support Issues

There is a whole set of issues concerning the relationship between, on the one hand, supporting the development of formal and informal rules, and budget support, on the other. These issues are neither properly explored nor accounted for here. To judge from our conversations, there would certainly be a need. Some issues – which may apply more generally – concerning budget support that did came to our mind through the interviews in Mozambique and Kenya (where budget support does not yet exist) are the following. *Does a possible shift towards general and sector budget support (GBS and SWAPs) run the risk of supporting the executive branch of the state too much, at the expense of other balancing powers within the state and society at large? When donors for instance consider the government's ownership of PRSPs, to what extent do they recognise the issue of whether the state represents the people or not, and whether the state has the character of a nation state or not? Whose ownership is Sida actually talking about in relation to general and sector budget support?*

There are additional issues that may need to be explored in relation to GBS and SWAP:s – as well as other support, such as for public financial management. These issues are poorly articulated here, but if we allow ourselves to speculate, they may include *questions concerning a) a possibly strong focus on reform of formal rules, but little consideration of the prevalence and implications of informal rules, b) a possible over-emphasis of nominal change in formal rules, while lesser attention to actual implementation and application of the rules, c) the possibility that such tendencies partly reflect disbursement pressure facing donor organisations, d) a possibly overly strong technical focus, while the political nature of rules and relationships is neglected and, finally, d) possible consequences in terms of change of power relationships within the partner country state, on the one hand, and within the donor organisations themselves, on the other, which in turn may lead to struggles for control over donor funds within the organisations of both parties.*

5   Vietnam Country Report

During the past twenty years or so, Vietnam has embarked on a comprehensive process of reform of its economic system, referred to as Doi Moi. As a result, economic growth has increased to unusually high levels and poverty in material and income terms has been substantially reduced. In the past, much Swedish aid was also channelled to supporting the economic reforms, but also to areas such as public administration and legal-sector reform. However, and according to the current Sweden's Country Strategy for development co-operation with Vietnam,[28] poverty seen from a broader perspective has not been reduced to the same extent, for instance in terms of lack of respect for individual civil and political rights. Consequently, the focus of Swedish development co-operation for the 2004–2008 period – apart from promoting poverty reduction – is 'to promote openness, development towards democracy and increased respect for human rights'.[29] Whereas these issues have been on the agenda for some time, it is our impression that they are increasingly stressed as compared to the past.

Increased importance attached to democracy and human rights (Demo/HR) is reflected, for instance, in the emphasis on these issues in the Swedish-Vietnamese dialogue and in support for capacity development and reform within public administration and not least the legal sector. According to the Country Strategy, Vietnam's poverty-reduction strategy as well as a rights perspective provides the framework for Swedish support.[30] It further states that Sweden is to support Vietnam in reaching farther than its own policies in implementing human rights, democracy and good governance. Against this background, and in order to at least partly complement the other country studies while reflecting both past and present Swedish support to Vietnam, our attention is directed quite broadly in this inquiry, including, for instance support for both Demo/HR and economic reform

5.1   Sida Support for Development of Rules – Aim & Contents

In order to paint a picture of Sida support for institutional development in Vietnam and identify issues related to that process, we begin by trying to identify such support and its character. A first task is thus to explore what Sida support for institutional development actually looks like, or consists of. What kinds of formal and informal rules, for instance, does Sida support aim at developing or reforming?

Clear & Conscious Support for Reform

The quite comprehensive process of reform in economic, administrative and legal institutions is and has been going on for quite a long time in Vietnam. Much if not most of Sida support to different sectors and at different levels appears to be directed at promoting these processes of institutional change in one way or another. Sida support thus seems to be fairly clearly and consciously focussed on promoting institutional development in Vietnam – and is likely to have been so for some time. In the past, support has been given to a number of reforms that have involved a greater or lesser extent of systemic change, as Doi Moi implies a gradual (and still on-going) shift from a centrally-planned towards a market-oriented economy. The previous strategy period included Swedish support to economic reform, public administrative reform and judicial sector reform – areas where change in rules continues to be supported by Sida during the current strategy.

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[28] Ministry of Foreign Affairs (2003)

[29] Free translation from the Country Strategy (Ministry of Foreign Affairs, 2003), p. 2. For more concrete information about Swedish development co-operation with Vietnam, see for instance the Country Plan for 2004–2006 (Sida, 2003b) and the Country Report for 2004 (Swedish Embassy, Hanoi, 2005).

[30] In Vietnam, the poverty reduction strategy is called Comprehensive Poverty Reduction and Growth Strategy (CPRGS).

For example, as regards reform of rules guiding economic activity, at least two areas of Swedish support can be identified. First of all, support has been and continues to be provided for the development of several economic 'think tanks' or research institutes within the government, such as CIEM (Central Institute for Economic Management) and PMRC (Prime Minister's Research Commission). This type of support offers an interesting example of what is interpreted as promotion of change in rules – in terms of market-oriented reform – by influencing the thinking, perceptions, ideas and attitudes among central decision makers. Several interviewees stressed the importance of changing one's mind-set, way of thinking, for effective change in rules to take place.[31] In a similar manner, Sida now supports efforts at influencing knowledge about and views upon human rights within the Party's ideology school, Ho Chi Minh Academy. It is hoped these would serve to promote the development of rules towards Demo/HR and within the judicial system.

A second area of Swedish support for economic reform is within private-sector development (PSD), where there are several past and present projects. Sida currently supports the development of an enabling business environment for small-scale enterprises and of markets for business-development services etc. These efforts involve institutional change primarily at province level, and take place within the so-called PRISED (Poverty Reduction through Integrated Small Enterprise Development) project.[32]

Over the years, Sida has also supported different projects related to formal change and implementation of property rights. Reform of this central set of economic rules was a major early element in Doi Moi, and was referred to by interviewees as instrumental to economic developments in Vietnam. The reform concerns in particular land rights, and Sida has supported projects related to both land administration and cadastral services (i.e. related to land survey). Sida has also supported the development of a regulatory framework for natural resources and the environment, in terms of revisions of environmental and forestry laws. It is currently engaged in a new project called SEMLA (Strengthening Environmental Management and Land Administration) which, among other things, is reported to aim at reinforcing farmer's property rights even further.

Within rural development, examples of Sida support for development of rules is also found within the poverty-reduction programme Chia Se, where ideas of grass-root democracy are to be applied and combined with governance/public administration reform. Within Chia Se, support is reported to focus on changing formal rules for needs identification, decision making, planning and implementation etc. of development activities. This is to take place through decentralisation within the public bureaucracy and direct village-level participation in command over the use of funds.[33]

An area where Sida supports institutional change of various kinds and through several projects is legal sector reform.[34] The Vietnamese Government is reported to aim at establishing the rule of law, primarily in order to further promote economic development and meet international trade-related demands. Sida, on the other hand, mainly seems to regard the rule of law as an important means for promoting Demo/HR. Swedish support is directed at law making, law implementation, legal aid, legal information and legal education – thus largely promoting various aspects of making formal rules valid in practice. As a high priority area, the support is being gradually developed over time.

Perhaps as a consequence of the fact that substantial formal reform is taking place on Vietnamese initiative, most Swedish support would appear to focus on change in formal rules. It has been more difficult for

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[31] The role of perceptions and ideas for institutional change is also increasingly recognised in the academic literature.

[32] For more information, see the project document for PRISED (International Labour Organization, 2004).

[33] See, for instance, the summary programme document for Chia Se (Ministry of Planning and Investment, 2003) and a recent in depth review of the programme (Andersen et al., 2004).

[34] For an overview of a Sida-supported project for legal education, see Swedish Embassy, Hanoi (2005). For a broader reflection of Swedish support to the rule of law in Vietnam in relation to democratisation, see Karltun (2005).

us to identify examples where Sida attempts to promote change in informal rules. However, this observation may be due to the fact that we did not look into all sectors where Sida is active and neither did we explore the inner details of projects. The observation should not be regarded as a conclusion. One very clear example of support for change in informal rules is, in fact, offered by Sida's co-operation with the Party in its anti-corruption efforts. Sida currently supports the commissioning of a diagnostic study of corruption in Vietnam, its characteristics and causes – as one step towards reducing the prevalence of the informal rules that corruption entails.

5.2 Sida's Strategy & Approach to Supporting Development of Rules

We have identified quite comprehensive Sida support for institutional development in Vietnam and have certain ideas about what it consists of. Let us now consider how that support is provided. The question of how Sida goes about supporting change in formal and informal rules can be separated into at least three broad sets of sub-questions. The first set, explored in this section, concerns Sida's strategy and approach to the support at an overall level. What strategy does Sida have and what approaches does Sida employ – if any – when providing its support for institutional development? What views on and ideas of how to go about achieving the aim in terms of institutional change are there within Sida? And, what issues are raised in relation to Sida's approach and strategy?

Two Tendencies – Unclear Approach

As to the overall support for institutional development, at least two tendencies can be observed. First of all, there appears to have been a shift of focus over time from central government to more local levels. This shift, which is not new, appears to take place largely in response to past experience, which reportedly suggests that effective change is more difficult to accomplish at central level. Hence better results are hoped for through a more local focus. Other reasons given by respondents are that a certain amount of 'maturity' has been reached at central government level and that effective implementation of central decisions requires complementary work at lower administrative levels. This first tendency is reported to be conscious and can be observed within various areas of support, such as directly poverty-reducing initiatives, public-administration reform, governance and human-rights issues. An illustrative example is offered by the poverty-reduction programme Chia Se, referred to above, where Sida supports decentralisation within the public bureaucracy as well as direct village-level participation.

Another tendency, which also represents a change over time, is for the Swedish Embassy to at least partly shift its remaining attention at the central level from government/public administration actors to an even higher level and more central decision maker: the Communist Party. Direct co-operation between the Swedish Embassy and the Party – in which Sweden is unique among the donors that are active in Vietnam – takes place in areas perceived as particularly sensitive by Vietnam, such as judicial reform/human rights and anti-corruption, as noted earlier.

These two tendencies (to lower and higher levels) may seem to suggest a combined bottom-up and top-down approach to supporting institutional development. However, it is unclear to us how conscious such a combined approach is, how well connected the linkages between the two levels are and how systematically it is applied – within individual projects and programmes as well as to the support in general. During seminars, at least certain indications were given that such a combined approach – consciously linking the two levels to one another – may not have been adopted, although some work linking the two levels was reported.

No Explicit Strategy – but Certain Patterns

Apart from poverty reduction, promoting Demo/HR is a clear and second overall aim of Swedish support to Vietnam, as noted earlier, and increasingly stressed. Promoting Demo/HR clearly involves supporting change in the rules of the game towards more popular and wide-spread participation in decision making and better adherence to international conventions concerning human rights. While the goal may be clear – 'to promote openness and development towards democracy and increased respect for human rights'[35] – the process is not. UTV staff noted no explicit strategy for how Sida and Swedish support is intended to reach that goal: for how to go about it, through which different steps a process of institutional development towards the goal will be supported. Nonetheless, on the basis of our interviews, we thought we saw some patterns of interest:

Although the process may not be clear, a very first step can perhaps be identified. This step would then imply the establishment of close contacts, good relationships and mutual trust with the Party, so as to enable communication and certain co-operation and as a necessary initial step for any continuation of the process. Given that Demo/HR are 'sensitive issues', the Party may be seen as a – if not the – central decision maker and actor in relation to these issues. However, it is unclear whether this move towards the Party is a consciously strategic step. Some Embassy staff informed us that identifying the right partner – while referring to the Party in a specific case – is a central strategic decision by Sida in order to establish a contact that may prove fruitful in the future. When confronted with our suggestion that contact with the Party may be such a strategic move, several Embassy and Sida staff argued that it is not. Somebody said that the Party is 'used' by Sida as a partner only if and when it suits Sida, whereas others said that to establish contacts with Sida is rather a strategic move by the Party. In conclusion, the perhaps most reasonable interpretation of the varying responses is that establishing contacts with the Party may be used by some staff in relation to certain projects as a strategic move, but is not adopted as an overall strategy by Sida. But if were, the strategic element would be the decision to identify the central actor and to establish contact with this actor as a first step in a longer process.

There are other, at least potentially, strategic elements. One is an attempt to promote institutional change through the introduction of new ideas and ways of thinking to members of the Party, e.g. on human rights. This is illustrated by the provision of training in human rights to teachers at the Party's school for ideological and political education, Ho Chi Minh Academy. This move may then be based on the assumption that Swedish support thereby will contribute to creating a future supply of institutional political change from the very top. This might be in a similar manner to the way in which Sida-supported introduction of new ideas, views and ways of thinking about the market economy is sometimes seen to have contributed to the economic reform process in the past.

A possibly complementary strategic element is to support the creation of demand for institutional change from below, in at least two different ways. One would be, through support for so-called grass-root democracy and participatory approaches at local level in a number of ways in different projects. A second would be through continued support (although less than in the past) for change in economic rules, as discussed above. By thus promoting economic development, Sida may intend to support the growth of a more independent and self-confident population as well as business community, who eventually and perhaps increasingly may raise demands on human rights and political influence as well as hold politicians to account.

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[35]   Free translation from the Country Strategy by the author

Need for Strategy or Not – & What is Strategic?

While our impression is that there is no explicit Sida strategy for how to support the development of rules towards achievement of the goal of increased Demo/HR, the observed patterns reported above would seem to suggest the existence of an implicit strategy. However, our suggestion of such an implicit strategy was rejected by some interviewees and several participants during group discussions at the Swedish Embassy as well as in Stockholm. Not only was the argument that no such strategy exists, but some staff appear to question what is perceived as an implicit assumption that there should be such a strategy. According to at least one person, the lack of a strategy in this regard is no big problem – if a problem at all. What is needed instead, it is argued, is a way of working that involves adaptation to the specific situation, which requires great susceptibility/receptiveness – anything else can be 'counter-productive'. Others see a risk in searching for 'the complete and conscious strategy' – a risk of getting stuck in preconceived ideas of how institutional change takes place, rigid plans and systematic thinking. While some strategic thinking is needed, the argument goes, a strategy is something that develops during the process, step by step, through learning by doing. It is difficult – and perhaps even dangerous – to document it, was another view.

Yet other participants in these discussions respond differently. Some welcome the discussion of a possible need for a more strategic approach. Others acknowledge a need for more strategic thinking – a thinking that not only identifies the goals but also expresses some ideas of how to reach those, the "how to get there", of the process. Most people stressed the importance of flexibility – implying that there must be room for adapting to changing circumstances, seizing 'windows of opportunity' and rethinking paths already taken. Some also stress the importance of being able to start somewhere, even if it is not yet known how to proceed.

As it appears, these discussions give rise to a number of issues related to strategy, flexibility and process that would seem to need to be further explored and discussed within Sida. *For one thing, would it be more appropriate to talk about strategic thinking, or programme theory, instead of strategy – and what difference does it make? And what do we mean by strategy – does it involve a predetermined path for how to reach a goal or can it allow for flexible adjustment? Strategy versus flexibility – or can there be a flexible strategy, or strategic flexibility? If so, what needs to be established and what needs to be open to change? What can be planned and what cannot? Is it possible to plan for a strategic process – without specifying all the steps beforehand, but remaining flexible and open to emerging opportunities while at the same time not loosing the goal in sight and allowing for reflection and reconsideration? Is there a need for the development of a process strategy or strategic process? Or is the real world simply too complex to make that possible – so that any attempts are futile – given not least the limited impact that Sida as a donor can be expected to have on developments in a country such as Vietnam?*

An additional and perhaps underlying set of questions of course concern *the process of reform, of institutional change, itself. What characterises it? To what extent and in what respects can it be planned – to what extent and in what respects does it organically evolve over time?*

Change within or of the One-party System – Aim & Role of Sida?

Another issue, however, is how clear the Swedish Demo/HR goal actually is, or what Sweden thinks is necessary for that goal to be fulfilled. The case of supporting judicial reform, largely for Demo/HR reasons, is illustrating. While Sida, on the one hand, supports a number of efforts to improve the functioning of the judicial system within the one-party system, it clearly recognises the crucial importance of an independent judiciary. This is clear from both our interviews and written documents such as the Country Strategy – and, at least implicitly, that such independence is difficult or impossible to achieve within a one-party system. To us this would seem to create *uncertainty as to what the Swedish position actually is, both in terms of goal and means: is it to promote Demo/HR within the one-party system or through change of the system, or both*

but sequentially? Can Demo/HR be achieved within a one-party system or not?[36] *Do we include the ability to choose between several political parties into our definition of democracy or not?*

These somewhat provocative questions were discussed during seminars, group sessions and informal conversations, and are admittedly difficult to deal with, not least explicitly. Views differ within Sida. Some say that Sweden cannot aim at supporting the development of a multi-party system – partly because it is not our role – and thus cannot be a clear goal for our support to Demo/HR. Others recognise a seeming contradiction and thus uncertainty in the Swedish position and welcome the idea that Sida may want to clarify what it hopes to achieve with its support to Demo/HR in countries with one-party systems such as Vietnam and Laos. Yet other Sida staff argued that it may indeed be consistent with Sida's role to promote processes of political change towards Demo/HR, including a multi-party system, for instance by identifying forceful and committed partners. *Hence, the issues of what Sida's role is and should be come to the fore – for instance when it comes to how 'activist' versus responsive Sida should be, and also when it comes to promoting Swedish values versus respecting those of our co-operation partners – for which there may therefore be a need for further discussion.*[37]

Views upon Potential of One-party System

A related question is if we as 'Westerners' have preconceived views and an overly simplified and negative picture of the opportunities provide within the Vietnamese one-party system. As indicated above, Sida supports a number of Vietnamese projects involving so-called grass-root democracy, decentralised public administration and popular participation. There are also indications of a more open debate and political climate, although within limits and less than Sida and other donors would like to see. *Does this imply that there are greater potentials within the existing political system for popular participation, democratic influence on decision making at grass-root level, accountability and transparency than we tend to think? If so, are there any implications for a possible Swedish strategy and if so which are they?*

5.3   How Sida Provides Support – a Focus on Dialogue

Beyond the overall strategic issues discussed above, there is a second set of questions about how Sida goes about providing support for development in formal and informal rules of a somewhat more specific and perhaps methodological nature. How Sida goes about the business of providing support for change of formal and informal rules is a potentially very broad issue, however. It partly includes questions such as: who does Sida choose to support and interact with? When in the change or reform process does Sida offer support? What role does Sida play in relation to other actors in that process? What factors does Sida try to influence? And through which means and what methods? And what issues are raised in relation to how Sida goes about this? Some of these issues were implicitly touched upon above. However, much of the information we got and the issues that were brought up in the case of Vietnam concern one of the more recent methods employed by donors – the so-called dialogue. Dialogue appears to have become an increasingly important tool for Sida in general, and to be of particular relevance for support to institutional development.

Dialogue & Different Priorities in Practice

A question related to the discussion in the previous section is to what extent the strong priority of Demo/HR in the Country Strategy is actually prioritised in practice. Is the intended focus made possible in prac-

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[36]   As noted by one seminar participant, here it is of course important to clarify what human rights we are referring at and to make a distinction between, perhaps first of all, economic and social rights on the one hand and civil and political rights on the other.

[37]   Similar role questions were brought up in the country studies of Mozambique and Kenya.

tice, given the methods, knowledge and resources it requires? Many interviewees within as well as outside of the Swedish Embassy – in Stockholm as well as in Vietnam – stressed that promoting institutional change in these sensitive issues mainly has to rely on the method of dialogue. Several of them also noted that whereas dialogue requires fairly little aid resources/funds – which are abundant – it does require far more human resources than are currently available – which thus are scarce. The kind of human resources needed were reported to include a) more personnel and b) better knowledge of both the various subject matters under dialogue (in general as well as specifically in the Vietnamese case) as well as about how to go about conducting constructive dialogue. A question that follows from this observation is: *How can Sida work with promoting the kind of institutional development stressed in the Country Strategy and the methods they require if adequate knowledge and sufficient resources are not provided? And is the consequence that Sida in practice has different priorities than those expressed in the Country Strategy, and if so, which are these priorities and focuses in practice?*

Missed Opportunities?

Furthermore, does the unclear strategy and position suggested above in combination with a lack of personnel and competence for dialogue imply that Sida is not fully making use of its opportunities to promote development and change in political institutions (Demo/HR) and related sensitive issues to the extent that it could – and should, according to the Country Strategy? Several of the interviewees, within as well as outside of Sida, highlight Sweden's and Sida's special and strong comparative advantage in Vietnam – based on its long history of support, good relations, established trust and now even direct co-operation with the Party. They claim that Sida is not taking full advantage of this comparative advantage, in terms of concentrating on what it is best suited for in relation to other donors. In short, they argue that Sida should focus on sensitive issues in close co-operation with the Party. *This inevitably raises the question of whether opportunities to contribute to speeding up the process of political institutional change are being missed by Sida.*

How to Conduct Constructive Dialogue

There are certain indications that there may be different perceptions of dialogue and how to conduct dialogue within the Swedish donor organisation. Respondents forwarded the view that one perception of dialogue would seem to imply that the Swedish Embassy should clearly express Swedish demands, for instance on Demo/HR as a precondition for support to the Vietnamese co-operation partners. Another perception of dialogue was reported to stress the importance of maintaining good relationships with the Vietnamese, since past experience suggests that 'if you try to tell the Vietnamese what to do, they shut the door'. These two perceptions may both 'make sense' and are perhaps not necessarily contradictory. *Together, they rather seem to give rise to questions about how to conduct dialogue in a constructive manner – so as to increase the chances of achieving results.*

One question for Sida and the Swedish Embassy would thus seem to be: *How can its staff be clear about the Swedish position, so as not to compromise Swedish principles and the values it wants to promote, but at the same time maintain good relationships with the Vietnamese. How to avoid a closing of the door, but rather, promote a constructive and meaningful dialogue with a potential to contribute to effective change? A related question is how Sida thinks that it can best influence its co-operation partners – which is not necessarily as issue of trust versus demand/conditionality. Is there perhaps an even greater potential for forwarding demands and critical views if Sida first manages to establish good relationships, trust and confidence? A related question is of course how to create that trust – while, or by, maintaining respect for both the Vietnamese and the Swedes? The ability to influence Sida's co-operation partners may also partly depend on the interdependencies between Sweden and Vietnam. As donors are increasingly crowding into Vietnam and Swedish trade interests are reportedly strong, it may perhaps be reasonable to ask who depends on whom. All in all, an overall question seems to concern how well-developed and consistent the Swedish definitions, concepts, theory and methods of dialogue actually are – suggesting a possible need for theory, knowledge and methods development.*

Contradictory Tendencies within Aid

Swedish aid to Vietnam illustrates what appears to be a more general tendency within international development co-operation. It is a tendency towards increased focus on supporting the development of institutional frameworks and a corresponding increased recognition of the need for better understanding of the local institutional context as well as of the nature and needs of processes of institutional change. There would also seem to be a concomitant – at least rhetorical – focus on 'policy' dialogue, with its increasing demands on human and administrative resources but, at least in certain areas, decreasing amounts of financial aid. As pointed out by some interviewees, this tendency appears to run counter to another tendency. It may, at least in the Swedish case and expressed in some admittedly crude and simplistic terms, be described as one towards fast disbursement of increased funds with relatively less administrative resources available to manage these funds. Some Sida respondents reported that the perceived contradictory tendencies are problematic.[38]

New Understanding of Results

An increased focus on supporting institutional development, recognition of institutional contexts and the characteristics of processes of institutional change, as well as an increased use of policy dialogue, suggest that there may be a need for a new or at least modified understanding of results. By understanding of results we mean: which actually are relevant; how soon can they realistically be expected to materialise; and how can they be observed (not necessarily measured in quantitative terms) and thus reported? In Vietnam, it was said to have taken about two years for Sida to establish contact with the Party, not only because the co-operation would concern issues that were politically sensitive for the Vietnamese, but also because this co-operation was perceived as politically sensitive on the Swedish side. Under these circumstances, an important result and thus progress may be the very establishment of the contact in itself. Achieving that may take time – even years – but nonetheless be an actual and important result that needs to be acknowledged as such, if considered important for the promotion of institutional development.

5.4 Central Reform Characteristics & Relating to the Institutional Context

There is a third set of how questions of importance for our picture of Sida support for institutional development and for identifying issues related to such support. These concern how Sida relates to the institutional context – the set-up of formal and informal rules as well as the reform process and its characteristics – in which it operates in the partner country. The institutional context and reform characteristics have implications for Sida support for institutional change – just as it influences any other Sida-supported activity. In this section, we therefore ask: what institutional factors and reform characteristics in the Lao context are identified as crucial – either as causes of poverty or as constraints on institutional development as well as the implementation and outcome of Sida supported activities? And how does Sida relate to these reform characteristics and institutional factors – analyse, understand, take into account, adjust to, make use of or otherwise address? And what issues are raised in relation to these questions and their answers?

Ambiguous Reform Process – Significant Change versus Lagging Implementation

The picture we got of reform in Vietnam in general is that of an ambiguous reform process. It appears to be ambiguous in various respects: a) comprehensive reform, but slow; b) substantial change in formal legal and regulatory frameworks in a fairly short time (since the late 1980s/early 1990s), but weak imple-

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[38] Similar observations were made in Laos and the two at least seemingly contradictory tendencies are further discussed in the Laos country report below.

mentation; c) relatively successful economic reform, but much less progress in political reform; d) some economic reforms – such as trade liberalisation and a more enabling environment for private-sector development – seem to be fairly easy, whereas others are reported to be more difficult – reform of state-owned enterprises (SOE:s) and of the banking sector. One impression is that Vietnam's reform process is marching ahead fairly steadily and with a considerable amount of determination and internal ownership on behalf of the leadership, while another impression is that the process is slow, rigid and cumbersome in many respects, reflecting resistance to change.

The views on which characteristics dominate the reform process differ: some interviewees stressed its comprehensiveness and speed, others emphasised its lagging implementation and slowness, and yet others reported an at least seemingly contradictory picture.

Several interviewees highlighted – as a major characteristic of the reform process in Vietnam – the circumstance that the implementation of decided reform measures lags far behind the formal institutional framework, which often appears to be in place.

Central Role of the Party

The formal political rules crucially characterise the institutional set-up in Vietnam. Given the one-party political system, the Communist Party has supreme power over all state organs, including the judiciary. Party organisational structures are established in parallel with state administrative structures at all levels, so that Party and State structures are intertwined, but with the Party as the dominant power. The Party also holds a dominant position in the Vietnamese society at large, where opportunities for alternative and independent organisations to develop are limited. There is virtually no freedom of association outside the Party organisational structure. Non-governmental organisations (NGO:s) are few and controlled by the Party. However, it is reported that given party supremacy, formally high-ranking public officials within the state administration are not always in a higher position than some formally lower-level officials, since the latter may have a higher rank in the Party. Formal power structures visible to the donors are not always valid in practice, which according to our interviewees makes it difficult for donors – and some Vietnamese themselves – to understand actual power relationships and therefore to relate to those.

The dominant role of the Party for the reform process and its characteristics – in general as well as for institutional development within all specific areas – was stressed by most interviewees, and thus its central role for the results of Sida support for such change. Its role is reported to be reflected not least in resistance to and imposing constraints on change – which largely is seen as a reflection of its fear of losing political power – but also in promoting change in certain areas, thus influencing the speed, direction and character of reform.

Two Types of Explanations

Different interviewees emphasise different explanations for why the Vietnamese process is or is perceived as slow.

First there is a set of explanations relating to the nature of institutional reform processes as such, recognising the number of circumstances and steps necessary for such processes to proceed and the amount of time they require. Examples of such explanations given by the interviewees are i) the need in Vietnam for consensus building around decisions about the practical applications and implications of formal institutional change; ii) lack of capacity to implement changes that have been formally decided upon; iii) lack of knowledge about or experience from what the new rules mean in practice and about how to go about

applying the new rules; iv) the need for rethinking and adopting new ideas and attitudes and, eventually, v) the need to change behaviour for effective institutional change. All these circumstances mean that institutional reform takes time. This type of explanation suggests that the Vietnamese process may not be as slow as donors are reported to believe – donors may simply, or at least partly, have unrealistic expectations about the speed of the process.

Another set of explanations given by interviewees are of a so-called political-economy character. They refer to the vested interests in maintaining status quo among actors who benefit from the existing order, and their incentives and ability to retard or even prevent effective change from taking place. These interests mainly seem to be regarded as vested in the existing power structure – within the Party as well as within important parts of the bureaucracy (especially in relation to SOE:s, the state bank sector and regulatory bodies).

Sida's Understanding & Analysis – Good but Good Enough?

The view of many interviewees as well as our own impression is that Sida staff have a relatively good understanding of the general institutional context in Vietnam as well as of the reform process and its characteristics at large, including the lagging implementation, the political economy of reform, the role of the Party etc. Several actors maintained that this understanding is better than that of most other donors – although some emphasise that knowledge and understanding could be better.

In fact, some interviewees hold that donors in general, including Sida, do not sufficiently understand the local context and institutional conditions. This concerns, for instance, knowledge about specific sectors – including the particular role of the Party, other vested interests and incentive structures facing the actors and the resulting reform characteristics. Such an understanding, it is argued, requires deeper analysis, a stronger sector focus, identification of central actors and hence more field staff. Together with the ambiguous picture offered of the reform process and its causes, it may thus still be motivated for Sida to ask *if it has a sufficiently clear picture of the characteristics or the reform process in Vietnam and the underlying causes. A related question is then to what extent and how Sida ensures its own access to thorough and continuously up-dated analysis and knowledge about the reform process, its constraints, opportunities, actors and change over time.*

Acting on Knowledge?

A related set of questions concerns if and how Sida acts on its own understanding. Does it take the consequences of its understanding in terms of adequate action? The fact that many interviewees stressed the lagging implementation and the crucial role of the Party raises questions about how Sida relates to these circumstances. Some interviewees expressed very clearly that donors, including Sida, do not follow up implementation of reform sufficiently, for instance through evaluation. *Hence, to what extent is implementation of reform supported by Sida actually followed up? To what extent are the causes of weak or slow implementation analysed? And what are the implications for Swedish support – are the causes identified considered and perhaps addressed?* It remains unclear to us to what extent this is done.

In particular, a good number of interviewees noted that while Sida's understanding of the central role of the Party is good, either this is not fully recognised or Sida does not accept the full consequences of this recognition. As discussed earlier, several interviewees suggested explicitly that Sida/Sweden should concentrate more on working closely with the Party, recognising fully its crucial role, and focus stronger on the 'sensitive issues' and on dialogue, thus making use of its comparative advantage in terms of its unique relationships with Vietnam.

Inner Dynamics of Reform Process – Linking Economic & Political Reform?

The Vietnamese reform process would seem to suggest that there may be inner dynamics in the reform process itself. Certain initial reform measures would appear to have proven insufficient as actors who tried to adhere to the new rules ran into obstacles – constraints that partly constituted institutions themselves and thus required additional reform. Hence, initial reform measures would seem to contribute to complementary and thus extended reform (as rules are interrelated and effective reform requires consistency between them). One example suggested may be the initial de-collectivisation of agriculture that Doi Moi started, and which eventually has forced additional and complementary improvements and reform of land rights and land administration. Another example is deregulation of trade within Vietnam as well as externally, which appears to have promoted international trade to such an extent that pressure for international trade agreements was created, which in turn required judicial reform towards the rule of law.

This last example may illustrate how economic reforms (trade deregulation) run into political institutional constraints (weak rule of law), and therefore promote change in political rules (human rights). This suggests a relationship between economic and political institutional reform. One the one hand, political rules such as Party supremacy may impose constraints on reform of economic rules. On the other, economic reforms may promote reform of political rules, partly as just illustrated, but perhaps also through another mechanism. *Is it possible that, by stimulating tremendous economic growth, economic reforms in Vietnam have contributed to reinforcing the self-confidence and position of individuals as well as the business community in Vietnamese society to the extent that they will eventually be in a position to pose demands for political influence?* The answer to this speculative question partly lies in the future. It may nonetheless have implications for how Sida as donor may want to act in order to promote institutional development, not least in terms of Demo/HR in Vietnam.

5.5   Potential Lessons from the Vietnamese Reform Process

The discussion above indicates that the Vietnamese experience may provide good opportunities for learning more about institutional change, suggesting for instance that:

•   Promoting institutional change requires *understanding the processes of institutional change,* their causes, characteristics, steps, actors, requirements, opportunities and constraints, time needed etc. – all in its specific context. Hence, understanding reform in general in a country may be insufficient – we may need to go into the details of the *specific reform areas* in our analysis.

•   Institutional change is not only – perhaps not even mainly – a technical issue. It is partly *a political issue* – threatening, providing opportunities for and changing power relationships.

•   Hence, it may be important to *identify and work with central actors* – and central actors may be those currently in power, which also entails risks of reinforcing and legitimising their power.

•   There are internal *reform dynamics* and interrelationships between *economic and political reform,* in a variety of ways that may need to be further explored.

•   Institutional change is also a matter of *changing one's mind,* ways of viewing and valuing the world, changing behaviour and, as one interviewee suggested, a way of developing 'new models for humans'. Hence, ideas play a role for institutional change.

6   Laos Country Report

Laos is one of the poorest countries in Asia, but market-oriented economic reforms and an opening up of the county's borders has contributed to a positive economic development in recent years. Politically, the country remains an authoritarian one-party state and reforms of the political system are virtually absent. Still, according to the Swedish Country Strategy for Laos for 2004–2008, there is a potential for promoting political reform.[39] In addition to promoting sustainable poverty reduction, promoting and reinforcing the preconditions for democracy, the rule of law and respect for human rights is a major aim of Swedish support.[40] Swedish development co-operation with Laos consequently stresses support for Lao reform processes, which involve the development of formal and informal rules in several areas. Against this background, Swedish support for institutional development within democracy and human rights (Demo/HR), including the rule of law, features strongly in our inquiry. Besides, as a pre-study on Sida support for institutional development within the forestry and roads sectors in Laos was commissioned by the UTV at an earlier stage,[41] specific attention is also given to these two sectors.

6.1   Sida Support for Development of Rules – Aim & Contents

In order to paint a picture of Sida support for institutional development in Laos and identify issues related to that process, we begin by trying to identify such support and its character. A first task is thus to explore what Sida support for institutional development actually looks like, or consists of. What kinds of formal and informal rules, for instance, does Sida support aim at developing or reforming?

Increasingly Strong Focus – Including both Formal & Informal Rules

There seems to have been a gradual shift of Swedish development co-operation with Laos over time, from an investments and production orientation (for instance, in the roads and forestry sectors), towards capacity and institutional development. Much, if not most support is nowadays for capacity and institutional development. The Country Strategy places a strong focus on supporting Lao reform processes, and there is considerable support for formal institutional change in several areas. Within environmental and natural-resources, for instance, support has been provided through the state Science, Technology and Environment Agency (STEA) to the drafting of a forestry strategy and eventually to the implementation of environmental laws and regulations. Over the years, Sida has provided support to judicial reform in support of Demo/HR and the rule of law through a number of different projects.[42] Earlier, support has for instance been given to the development of 'rules, regulations, orders and decisions' in order to 'strengthen the administrative agencies'.[43]

Several projects also involve conscious – but less explicitly expressed – attempts at promoting change in informal behavioural rules. Examples are 1) efforts at supporting the development of work methods and work routines within the National Statistical Centre,[44] 2) promotion of participatory methods as well as

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[39] Ministry of Foreign Affairs (2004b)

[40] For more concrete information of Swedish development co-operation with Laos, see the Country Plans (Sida, 2003a & 200b).

[41] Sjöquist Rafiqui (2003) – the pre-study also offers an overview of support to the two sectors. A more recent picture of the Lao-Swedish Road Sector Project is offered by Swedish Embassy, Vientiane (2005).

[42] Swedish support for the rule of law was reviewed for instance by Serbinson et al. (2003).

[43] Barrientos Córdova (2005)

[44] For an overview of the project, see the latest project document (National Statistical Centre, 2001).

models for project management, including rules such as deadlines, within environmental and natural-resources projects through STEA and the National Agriculture and Forestry Research Institute (NAFRI), and 3) the introduction of new pedagogical methods in legal education as well as attempts to influence social rules at the work place within support to the Faculty of Law.

6.2   Sida's Strategy & Approach to Supporting Development of Rules

Now that we have identified Sida support that aims at the development of both formal and informal rules in Laos as well as some idea of what it looks like, we would like to know how Sida goes about providing it. How does Sida go about support to institutional development? This broad how-question can be separated into at least three sets of sub-questions. The first set, explored in this section, concerns Sida's strategy and approach to the support at an overall level. What strategy does Sida have and what approaches does Sida employ – if any – when providing its support for institutional development? What views on and ideas of how to go about achieving the aim in terms of institutional change are there within Sida? And, what issues are raised in relation to Sida's approach and strategy?

Previous Approach & Assumptions

It appears that in much of Sida support for institutional development and capacity development (which partly overlap), the approach adopted has been – and partly remains today – to offer support mainly in terms of training in technical, administrative and managerial issues so as to increase the competence of partner organisations, for instance ministries and government agencies. This observation was first made by Pernilla Sjöquist Rafiqui in her study of support to the roads and forestry sectors in Laos, but is supported by Embassy staff and our own observations.[45] The approach seems to be based on the assumption that training of individuals would, first of all, be applied and, secondly, spill over into or be demanded by the rest of the organisation. Hence dissemination effects would contribute to increasing the efficiency of the organisation and perhaps even reach beyond that to the wider system.

'Training and Training – But Then What?'

The assumption that training of individuals would feed into broader institutional change is questioned by Sjöquist Rafiqui's study and, as it appears, by the experience of Embassy staff and other interviewees. In several projects, for instance within environmental and natural-resource projects as well as at a more general level, Embassy staff raises the question: *'Training and training, but then what?'* They seem to hold that the strong focus on training in their support does not lead to the desired and expected results in terms of institutional change. Human-resource development in terms of shorter and longer training exercises have been provided for a long time, but difficulties and questions related to how to use that knowledge and thus put it into action within the organisation in question are reported to remain. Training and education in itself, simply does not seem to be enough to achieve the desired changes, unless the knowledge developed is put into effective use and thus applied in practice. During group conversations, Lao and Swedish staff working within projects noted a particular difficulty: *how to link individual capacity development to organisational capacity development?* A related question brought up was: *how to link individual projects to other projects at higher administrative levels and to changes at a more overall systemic level?*

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[45]   Sjöquist Rafiqui (2003)

Institutional Change 'within a Box' – An Illustration

We came across a particular project (although there may be others) that appears to illustrate the "within a box" approach of not taking the wider institutional context into account.[46] It is not our intention to single out this project as negative in any way – it may be a perfectly good project in all respects, and was in fact referred to as a particularly good project by an independent interviewee. However, the project is interesting because it appears to serve particularly well as an illustrative of supporting institutional development 'within a box'.

The project involves several elements and includes explicit as well as implicit support for both formal and informal institutional change in work routines and methods etc. However, this support for rules change mainly takes place within a given organisation and thereby within the given broader institutional framework that sets the limits for that organisation, for instance in terms of its mandate and rules for decision making etc. Hence, Sida supports rules change 'within a box' of existing higher-level rules. This raises the question: *To what extent are complementary and/or higher-level rules in the context of the given organisation considered and targeted – and to the extent that they are not, how effective in promoting real institutional change is actually support 'within a box'?*

In this case, it was particularly unclear to us how the project and its institutional elements relate to other Lao reform efforts in the sector as well as to already existing, traditional, informal rules in the sector. We also got the impression that this project only to a limited extent is co-ordinated with other activities, such as: other Sida support provided to the organisation but channelled via another sector department; other Sida-supported efforts within the sector; activities within the organisation supported by other donors. Limited linkages to other donor-supported activities as well as to higher-level and external institutional factors may serve as potential explanations for some of the weaknesses of project support in general. So, whereas this particular project may be a good one, it would seem to raise *questions about its potential for sustainable impact.*

Similar Experience of the Asian Development Bank

It is interesting to note that an evaluation of capacity development (CD) assistance provided by the Asian Development Bank (ADB) to Laos, made similar observations as those discussed in the previous sub-sections. In the executive summary, the evaluation report concludes that weak results from capacity development assistance can be explained by, among other things, factors related to the scope of the assistance:[47]

CD is often equated with training or provision of consultants' services. The lack of a framework, which recognizes CD needs in the operating environment of organizations and for organizational development, affected the approach and results that CD assistance has had. Individual CD activities were scattered rather than systematically structured and sequenced, which affected the extent to which ADB assistance had an impact on capacities for sector and public resource management. Fundamental issues of public sector management, including human resource development and financial management, were not addressed.

Standing at a Crossroad?

Partly against the background accounted for here, our initial impression was that Swedish support for institutional development is at something of a crossroad. Embassy staff seem to perceive limitations

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[46] Similar observations were made in Mozambique – see the Mozambique country study above. However, neither Mozambique nor Laos needs to be unique or special in this regard.

[47] Asian Development Bank (2004), p. v

with the current approach of Sida support and what it manages to achieve in the current situation – feeling somewhat 'stuck', but not knowing exactly how to become unstuck, to move ahead. Other factors than the 'training-not-enough' issue discussed above may contribute. First of all, there appears to be a perceived uncertainty about where the Lao reform process is heading in general, and in particular within certain areas: is it at all moving ahead and if so, where to? Secondly, Embassy staff seem to hold that they do not reach sufficiently high decision-makers and policy levels in dialogue with their development co-operation partners. The decision power is with the Communist Party and the Party is not accessible for contact or dialogue either to Sweden or other donors. An additional complicating factor seems to be internal constraints on engaging as required and outlined in the Country Strategy in policy dialogue, due to a lack of the means necessary to do so, in terms of insufficient staff and need for additional competence.[48] These issues will all be further discussed below. However, being at a crossroad is not necessarily a bad thing – we rather got the impression that the interviewees see it as creating opportunities for change.

One respondent noted that being at a crossroad is perhaps not an entirely adequate metaphor for the current situation. Rather, the notion is that the reform process in Laos has always been slow, characterised by inertia and an at least seeming lack of will on the Lao side as regards overall reform. Sida has always waited and expected that change would come and gain momentum, but the feeling is that it never comes. So while the situation in Laos may not necessarily have changed, Sida seems to have reached a point where its staff asks itself: *Are we really going to continue in this way? Can we demand more in terms of change and results? If not forthcoming, what shall we do then?*

Lacking Strategy

Several Sida staff also explicitly said that they lack a strategy for how to reach the overall aid goals in Laos, including the substantial institutional change these imply. There is no clear idea or developed thinking about what that process may look like, of what steps Sida needs to take on the way, and of what intermediate results Sida is expected to reach, for instance in relation to the Demo/HR goals. Staff also perceives this lack of a strategy for how to reach the goals as a major problem – the most serious problem according to one interviewee. Another interviewee noted, for instance, that Sida needs to elaborate a framework for its support to judicial reform. It needs to clarify what its vision for that support is, as well as for how to get there – and acknowledge that Sida has no clear idea of how to go about it.[49] Several interviewees noted that while 'things happen' at project level, 'nothing happens' or change is slow at the overall reform level. *Sida staff note that they are uncertain about and ask themselves how to work with this level, including questions such as: Are we doing the right things and are we doing them in the right way?*

6.3   How Sida Provides Support – a Focus on Internal Constraints

Beyond the overall strategic and approach issues concerning support for institutional development discussed above, there is a second set of how-questions of a somewhat more specific and perhaps methodological nature. How Sida goes about providing support for change of formal and informal rules is a potentially very broad issue, however. It includes questions such as: who does Sida choose to support and interact with? When in the change or reform process does Sida offer support? What role does Sida play in relation to other actors in that process? What factors does Sida try to influence? And through which means and what methods? And what issues are raised in relation to how Sida goes about this work? Some

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[48]   Cf. the Vietnam country report above, where similar issues are raised.

[49]   Others have noted that Laos itself – which ought to own the reform process – needs such an overall and comprehensive framework for judicial reform.

of these questions were implicitly touched upon above. However, much of the information we got and the issues that were brought up in the case of Laos concern constraints internal to the Swedish aid organisation, which have implications for the methods Sida staff is able to employ in practice.

Dialogue – Facing Swedish-internal Constraints

As pointed out above, Sida staff report that they do not know how to work with support for institutional development, in particular support for more overall systemic reforms. 'We say "dialogue"', according to one interviewee, 'but don't know what it means or how to go about it in practice'. Another interviewee noted that Sida needs to be more clear about what its goal with the dialogue actually is: what is it that Sida hopes to achieve with dialogue? In addition, and just as in the case of Vietnam, Embassy staff reported a considerable shortage of personnel resources and competence for dialogue. This shortage imposes constraints on Sida support in cases where dialogue is considered to be an important method. First of all, it would seem to render support for institutional development difficult in general, and possibly to an increasing extent, with all the more attention towards systems reform at a high political and overall level. More specifically, while the Country Strategy emphasises support for Demo/HR, which ought to be particularly 'dialogue intensive' due to its politically sensitive nature, limited staff and limited knowledge of dialogue processes suggests that the means available to Sida staff do not correspond to the ends. It follows that the Country Strategy priority runs the risk of not being possible to adhere to in practice.[50]

Swedish-internal Constraint on Structural Change of Aid?

As in the case of Vietnam, several Sida staff point out that dialogue requires relatively little aid funds ('sakanslag'), but far more administrative/human resources ('förvaltningsanslag') than currently available. Total Swedish aid funds are planned to increase as a result of Swedish Government policy. In the light of this increase, the Swedish Embassy is reportedly asked to identify more projects in order to increase the aid budget in Laos, while having to do this with virtually the same administrative/human resources. During conversations with interviewees, an at least seeming inherent contradiction within the Swedish aid policy was noted. On the one hand, and from a policy perspective, there is an increased stress on supporting institutional development, in particular within Demo/HR, which requires more dialogue and thus administrative/human resources (but relatively less aid funds than some other kinds of support). On the other hand, from a budgetary perspective, there is the tendency to increase aid funds and hence, in relative terms, reduce the funds for administrative and human resource purposes.

This at least seeming contradiction may be interpreted in different ways. The most obvious one is perhaps that there is a discrepancy between the means and the ends – the Swedish aid organisation does not seem to provide its staff with necessary means to fulfil its tasks. Another possible interpretation is that the contradiction reflects a structural change currently taking place within development co-operation, but without the Swedish financing and budgetary system being adapted in accordance with the new demands and their implications. Rather, the existing Swedish aid-internal financing and budgetary rules – hence, institutions internal to the aid organisation itself – would seem to hold back such things as structural change from taking place in practice and prevent the delivery of effective support for institutional change.

6.4   Rules of Central Importance & Relating to the Institutional Context

There is a third set of how-questions of importance for our picture of Sida support for institutional development, and for identifying issues related to such support. They concern how Sida relates to and operates

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[50]   See the Vietnam country report above for a similar discussion.

in the partner country with regard to the institutional context – the set-up of formal and informal rules – as well as the reform process and its characteristics. The institutional context and the reform characteristics have implications for Sida support for institutional change – just as it influences any other Sida-supported activity. We indicated earlier that there is a set of such circumstances that have contributed to the situation where Swedish support for institutional development in Laos may be up for reconsideration. Let us now go a little deeper into those circumstances and ask: what institutional factors and reform characteristics in the Lao context are identified as crucial – either as causes of poverty or as constraints on institutional development as well as the implementation and outcome of Sida supported activities? And how does Sida relate to these reform characteristics and institutional factors – analyse, understand, take into account, adjust to, make use of or otherwise address? And what issues are raised in relation to these questions and their answers?

Uncertain Reform Process – Is there Ownership?

A major constraint, according to several interviewees, is the previously reported perceived uncertainty about whether and in what direction the Lao reform process is actually moving. This uncertainty appears to concern all reform areas to a greater or lesser extent. It is seen as particularly strong in certain areas, notably decentralisation reform and judicial reform. To several Sida staff, it is for instance unclear what the decentralisation reform within the one-party state actually aims at, and how far the Lao decision makers are willing to go in terms of real decentralisation. Some people report that decentralisation and centralisation seem to move back and forth. Others note that these movements may reflect power struggles between the central level and the provinces – power struggles which hamper the progress of reform. As noted by several observers, for instance Sjöquist Rafiqui, provincial governors do have a strong power position in relation to the central authorities. As regards legal sector reform, there is no overall Lao framework for the different reform measures, in spite of the fact that reform has been going on for a decade or so. Together with the circumstance that only modest results of real institutional change are reported, this fact contributes to a perceived uncertainty about where judicial reform is heading. Power struggles between different government organisations are reported to exist here too.

As regards judicial reform as well as systems reform in general, several respondents note that the uncertain reform processes create uncertainty about the Lao ownership of reform. *'How much political will is there to reform the judicial system, and in which direction?* – one interviewee asked. *And is there ownership, initiative, ability and willingness to drive the different reform processes within the Lao leadership – or is it missing, and if so, why?*

Communist Party & One-party State

A second crucial institutional circumstance – with an obvious bearing on the issues just discussed and highlighted by most of our interviewees – is related to the political institutional system. Laos has a one-party political system, where the Communist Party as central actor dominates Lao society. The Party also has supreme power over all state organs, where party and state structures are highly intertwined at all levels of administration. It is reported to play the central role in all policy making and to control all state affairs, thereby influencing the functioning of the state sector, the reform process and virtually all donor-supported activities. Some respondents explicitly state that political constraints on institutional reform make supporting such change difficult and that the major problem is lack of willingness to change at the party political 'level'.

While the Party initiated the economic reform process in the 1980s, very little political institutional change is reported to have taken place. *Apart from the questions about what commitment there is within the Party for institutional reform in various areas, raised above, another question is which persons within the Party have a commitment to reform – and which resist? Are there agents of change within the Party, and who are they?* It seems to be unclear to our

respondents exactly where the resistance to reform is located and how it varies within the Party – and perhaps within parts of the state administration too. This raises questions that may need to be explored by Sida/donors – questions about who faces incentives to reform and who faces disincentives within the Lao society; for what particular types of reform; and what are and what causes those incentives? Somebody held the opinion that the strongest resistance to change is found at the very top.

Apart from the formal power structures within the state and the Party, there are informal power relationships and positions which complement and interlink with the formal ones, involving for instance old royal-family ties.[51] Compared to the Communist Party in Vietnam, the dominance of the Lao Communist Party over Lao society appears to be even greater, with less and weaker pressure from below – whether from the population or the business community. This was put to us by several respondents. However, the Vietnamese Communist Party appears to exercise a significant amount of influence over the Lao Communist Party, particularly when it comes to policies, reform and appointment of high ranking personnel in the Party as well as in the Government. Moreover, and as implied by the discussions above, to the donors or at least to Sida staff, the Lao Communist Party also appears to be invisible (more invisible than the Vietnamese one).

Sida's Relation to the Party & One-party State

As indicated earlier, views were forwarded that Sida's policy dialogue is conducted at too low a Lao decision-making level. Several people mentioned this as a major problem, as it imposes severe limitation on how Sida can effectively support institutional development efforts. We got the impression that Sida well recognises the central role of the Party and the circumstance that the reform processes and their results depend on decisions at the political 'level' – a level beyond access to donors.

An issue that may be raised is to what extent there might be a potential to make use of the close relationships between the two communist parties in Laos and Vietnam in combination with the well-established and friendly relationship Sweden has with Vietnam, including its contacts with the Vietnamese Communist Party. *Could these relationships be used by Sida to promote institutional development in Laos, perhaps in particular within democracy and human rights, and if so, how and to what extent are these opportunities explored by Sida?* As pointed out by one interviewee, such efforts may, however, run the risk of strengthening the legitimacy of Vietnamese Communist Party influence over Lao society.

An additional set of questions that came up during conversations is related to what the Swedish position actually is to the existing political system, the one-party state. *Does Sida have a view upon whether and the extent to which institutional change, in particular political institutional change, is possible? And can this be supported within the one-party system or not? And if so, what is this view? And what ideas are there of how to go about supporting such change, to the extent that it is perceived as possible, and by what means (pressure, dialogue, both in combination, third countries etc.)?* In sum, it appears to us that some of the central issues that Sida faces are precisely *how to relate to the Party and the one-party state in order to be able to support effective institutional development.*

Understanding the Political System & Process of Reform

One implication of the fact that donors have little insight into the Party, and that policy dialogue is conducted at a relatively low decision-making level appears to be that Sida does not fully understand the process of reform and the political system. The one-party system is likely to imply that much of the political debate and power struggles take place within the Party itself and are thus not transparently dis-

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[51] See Stuart-Fox (2004) for an informative and insightful account of power structures and other formal and informal political rules and developments in Laos.

played to outsiders. This means that the forces resisting change, those promoting change, the reasons behind the different positions and the struggle between the two, the dynamics of the process within the Party, the slowness versus what is actually happening – all this remains hidden to Sida staff, and most other donors too. One question several Sida staff members certainly ask themselves is *'Why is reform so slow and how are we going to relate to that?'* Sida's concern and uncertainty about Lao ownership of reform raises questions about Sida's knowledge of the Lao reform process, the actors for and against it as well as the associated power relations and struggles. Whether this also implies that there may be limited understanding of reform processes as such is a bit unclear, however. Whatever the case, *this in turn begs the question if Sida, because of a limited understanding, has unrealistic expectations of what may be achieved and how soon, in terms of reform? Another issues is, of course, if Sida can do more to gain a better understanding, and if so what – and of course, what knowledge and understanding can it realistically be expected to have?*

In any case, the non-transparent political system and reform process suggests that if the Lao leadership does not open up to Sida and other donors, there is a risk that donors will retain a limited, perhaps even inaccurate, picture and understanding of the complexities of the Lao reform process. There may be a corresponding risk that donors maintain overly high expectations of what may actually be achieved and how soon, while at the same time being uncertain about how or unable to use their support in the most effective way to promote actual reform.

Limited Capacity – Partly an Institutional Issue

Many interviewees within and outside of Sida stress the limited capacity of Lao counterparts. The general level of education is not high in Laos and particularly their knowledge of the English language is poor. These are a third major obstacle to development and effective reform. It is worth noting that when the interviewees referred to capacity, it was most often not in accordance with the broad definition of Sida's Policy for Capacity Development, which includes institutions.[52] The concept was used in a more narrow sense, referring mostly to the knowledge, skills and competence of individuals and groups.

In several instances, lack of capacity/competence was referred to as a constraint to and explanation for slow implementation of already decided formal reform measures. However, we came across different views upon the relationship between rules/institutions and capacity/competence, in particular on the relationship between change in the two. Some people expressed – and much of existing practice may suggest that this view was common – that capacity/competence first has to be built, before effective rules change can take place. This means that people must have the required knowledge, skills and competence, before they can start applying new rules – for instance before assuming decentralised responsibilities within public administration or other forms of empowerment.

According to this argument, faulty decisions may otherwise be taken by ignorant officials, resources be wasted etc. A different position was that in order to develop knowledge, skills and competence, you must have a concrete situation to apply the new skills to and thus to train on. New knowledge and skills cannot develop in a vacuum, but capacity/competence is actually being built while you practice – through learning by doing. Capacity/competence development cannot take place without empowerment, so there was a need for changed rules for authority and mandate, it was argued. Now, if 'training and empowerment go hand in hand', there may be implications for how to support rules/institutional development as well as capacity/competence development: *should competence and rules be changed in tandem – instead of sequentially?*

A related aspect of capacity/competence development and training was brought up. One of the projects supported suggested that training may have other important consequences and benefits than the often

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[52] Sida (2000)

intended development of knowledge and skills. It may contribute to increase the self-confidence of the local counterpart staff, in terms of trust in their own knowledge, skills and experience as valuable and useful. It may prompt counterparts to dare to forward their own views and ideas to a greater extent than in the past, encouraging them to rely on their own judgement and analytical capacities. A related issue came up in another project. The idea was forwarded that local counterpart ownership of the project had increased over time, as the knowledge, skills and confidence in one's abilities increased over time. Ownership was said to as a 'maturity issue'. Although the full implications of these 'insights' remain to be explored, they suggest that training and capacity/competence development contributes to local ownership, and that this ownership may be built over time.

The discussion further suggests that capacity is closely linked to rules, and capacity development to institutional development. This is not only in the narrow meaning of capacity, but also in the broader meaning of Sida's Policy for Capacity Development. The capacity of an organisation would, for instance, seem to depend both on the competence of its actors and on the behavioural rules for interaction – rules within the organisation as well as those that govern the organisation from outside.

Weak Incentives – Also Related to Rules

A final constraint in the Lao context forwarded by some interviewees is low salaries within the public sector, which are considered to create weak incentives for work and promote absenteeism. High degrees of absenteeism, in particular of managers, together with a hierarchical structure and highly centralised decision making was reported to lead to frequent delays in decision making in many work places, thereby retarding action. Weak incentives would seem to be created both by salary levels and by the existing set-up of rules – possibly both formal and informal ones – within the bureaucracy, related to hierarchical structure, centralised decision making etc.

How Rules are Created Matters

During one of the group sessions the issue was addressed why some formally decided rule changes in Laos – such as the requirement to wear a helmet when riding a motorcycle and for restaurants to close no later than 11 p.m. – are not or only poorly adhered to in practice. The idea was forwarded that it may have to do with the way formal rules are decided, and that the people who are expected to adhere to the rules have not been given a chance to voice their opinion or otherwise be involved in the decision-making process. This suggests that the way in which rules are created – perhaps in particular as regards to who is allowed to participate in the process of rule creation – may have implications for how and/or the extent to which the rules are applied. The way rules are created thus seems to influence the legitimacy of the rules in the eyes of those who are expected to adhere to them.

7   Similar Issues in Vietnam and Laos

There are similar issues in both Laos and Vietnam concerning support for institutional development. One is the single-party political system and the dominant role of the Communist Party. This gives rise to a number of questions concerning how Sida may understand, view and relate to the Party and the one-party system. *An overall question would seem to be how Sida can support effective institutional development and reform processes working within a single-party political system. In particular, how can Sida promote the development of Demo/HR in a meaningful way? What may the aim and the strategy for such support for political institutional change be? How can Sida relate to the political system, to the Party and to political resistance to reform? How can the political level be reached by donors like Sida when it is not easily accessible? How can Sida gain a better understanding and insights into the formal and informal rules, relationships and functioning of the political system and the Party?*

Another common set of questions that came forth strongly are related to the method of dialogue, and include the following: *How can Sida be clear in forwarding the Swedish position, in terms of values and perhaps demands, while maintaining friendly relations, mutual trust and respect, and conducting constructive dialogue? How can dialog partners at the adequate political level be reached? What can be the aims and methods of dialogue? What resources and capacity is required and how can it be obtained?*

Appendix A: List of Interviewees

Sida/Stockholm

Name	Position	Organisation	Date	Comment
Andersson, Göran	Director, Senior Consultant	Swedish Institute for Public Administration (SIPU)	2005–02–09	Interview
Bostrand, Lisbeth	Desk Officer	Department for Natural Resources and the Environment	2005–02–09	Interview
Dahlgren, Stefan	Senior Evaluation Officer	Department for Evaluation and Internal Audit	2005–01–26	Interview
Dyrssen, Hallgerd	Deputy Head	Division for Democratic Governance, Department for Democracy and Social Development	2004–11–08 2005–05–18	Conversation and interview
Egerö, Samuel	Desk Officer	Division for Asia, Department for Asia	2004–06–16 2005–01–24	Conversion and group interview
Essner, Jan	Desk Officer, Laos and Vietnam	Division for Asia, Department for Asia	2005–01–24	Group interview
Forsman, Åsa	Desk Officer	Division for Urban Development, Department for Infrastructure and Economic Cooperation	2005–05–31	Interview
Hammarström, Bo	Desk Officer, Mozambique, Namibia, Public Administration Reform	Division for Democratic Governance, Department for Democracy and Social Development	2004–11–04 2005–04–11	Interview and informal conversation
Karlsson, Per	Desk Officer, Lake Victoria and Regional Co-operation	Division for Central and East Africa, Department for Africa	2004–10–27	Interview
Larsson, Karl-Anders	Policy Adviser	Department for Policy and Methods Development	2005–01–21	Interview

Lindell, Magnus	Head of Division	Division for Central and East Africa, Department for Africa	2004–10–27	Interview
Lundell, Per	Policy Adviser	Department for Policy and Methods Development	2005–02–09 2005–03	Interview and informal conversation
Möller, Ola	Desk Officer	Department for Natural Resources and the Environment	2005–04–19	Interview
Östman, Anders	Desk Officer	Division for Central and East Africa, Department for Africa	2005–03–31	Informal conversation
Persson, Alf	Senior Consultant	Swedish Institute for Public Administration (SIPU)	2005–02–07	Interview
Wachtmeister, Alexandra	Desk Officer	Department for Natural Resources and the Environment	2004–09–15	Conversation

Mozambique (Maputo)

Name	Position	Organisation	Date	Comment
Alfredo, Jesus	National Programme Officer, Public Administration	Embassy of Sweden	2004–11–14 2004–11–15 2004–11–16 2004–11–17 2004–11–19	Interview, group interview, group meetings and informal conversation
Altvall, Hans Erik	Consultant, Team Leader of Programa Escandinavo	to Instituto Nacional de Estatística, Rep. of Moz., from Statistics Sweden	2004–11–18	Interview
Andersson, Karin-Anette	Economist, Deputy Head of Develepment Cooperation Division	Embassy of Sweden	2004–11–14 2004–11–16 2004–11–18 2004–11–19	Interview, group meeting, informal conversation
Åsén, Mikael	Consultant, Financial Advisor	to Ministry of Health, Rep. of Moz.	2004–11–17	Interview
Bosten, Emmy	Technical Assistance Coordinator	International Monetary Fund	2004–11–18	Interview

Bruun, Gunilla	Director of International Affairs	The Swedish National Audit Office	2004–11–14	Informal conversation
Fortes, Anna Paula	Programme Manager	International Division, The Swedish National Audit Office	2004–11–14	Interview and informal conversation
Franco, Antonio S.	Sr. Country Economist	The World Bank	2004–11–18	Interview
Jakobsson, Arne	Consultant, Resident Representative, Chefe de Equipa	to Audit Project, Tribunal Administrativo, Rep. of Moz., from The Swedish National Audit Office	2004–11–14 2004–11–18	Interview and informal conversation
Johnston, Anton	Counsellor, Deputy Head of Mission, Head of Development Cooperation Division	Embassy of Sweden	2004–11–14 2004–11–15 2004–11–19	Interviews, group meetings and informal conversation
Jussar, João	National Programme Officer, Culture	Embassy of Sweden	2004–11–15 2004–11–17 2004–11–19	Group interview, group meetings and informal conversation
Klingvall, Maj-Inger	Ambassador	Embassy of Sweden	2004–11–16	Informal conversation
de Lourdes Aguiar, Maria	National Programme Officer, Private Sector and HIV/AIDS	Embassy of Sweden	2004–11–15 2004–11–17 2004–11 19	Group interview and group meetings
Macamo, Jose Luis	Public Sector Specialist	The World Bank	2004–11–18	Interview
Martins, Miquelina	Programme Assistant	Embassy of Sweden	2004–11–15 2004–11–19	Group meetings
Rickatson, Caroline	Senior Governance Adviser	Department for International Development (DFID), Mozambique	2004–11–16	Interview
Rosenholm, Lis	First Secretary	Royal Danish Embassy	2004–11–17	Interview
Rupp, Lena	Programme Officer, Civil Society, Democracy and Human Rights	Embassy of Sweden	2004–11–15 2004–11–17 2004–11–19	Interview and group meetings

Sartre, Marta	Consultant, Long Term Advisor	to Tribunal Administrativo, Rep. of Moz.	2004–11–18	Interview
Söderling, Lisbeth	Programme Officer Infrastructure incl. Malawi	Embassy of Sweden	2004–11–15 2004–11–19	Group meetings
Vink, Maria	Programme Officer, Agriculture and Malonda	Embassy of Sweden	2004–11–15 2004–11–18 2004–11–19	Interview and group meetings
Zetterström, Arne	Consultant, Chefe de Equipa, Assessor de Auditoria e Gestão	to Projecto de Inspeccão Geral de Financas, Ministry of Planning and Finance, Rep. of Moz., from The Swedish National Audit Office	2004–11–14 2004–11–15	Interview and informal conversation

Kenya (Nairobi)

Name	Position	Organisation	Date	Comment
Bergman, Göran	Senior Programme Officer, Natural Resources and Environment	Embassy of Sweden	2004–11–22 2004–11–23	Interview and group meeting
Eriksson, Arne	Consultant, Programme Advisor	to National Agricultural and Livestock Extension Programme (NALEP), Ministry of Agriculture, Govt. of Kenya	2004–11–25	Interview
Ehrnst, Linnea	Regional Officer, Humanitarian Assistance – Horn of Africa	Embassy of Sweden	2004–11–22	Group meeting
Genfors, Eidi	Regional Officer, Regional Rural Development	Embassy of Sweden	2004–11–22	Group meeting
Göransson, Bo	Ambassador	Embassy of Sweden	2004–11–23	Informal conversation
Hellman, Karl	Economist, Public Financial Management	Embassy of Sweden	2004–11–22	Interview and group meeting

Karanja, Mr.		Ministry of Road and Public Works, Govt. of Kenya, and Sida Roads 2000 Programme, Nyanza	2004–11–23	Interview
Kidanu, Asfaw	Consultant, Programme Advisor	to Ministry of Road and Public Works, Govt. of Kenya, and Sida Roads 2000 Programme, Nyanza	2004–11–23	Interview
Lane, Sue	Senior Govern-ance Adviser	Department for Inter-national Development (DFID) Kenya	2004–11–25	Interview
Maganya, Jeff		The Child Right, Advisory Documenta-tion and Legal Centre (CRADLE)	2004–11–26	Interview
M'Inoti, Kathurima	Chairman	Kenya Law Reform Commission, Govt. of Kenya	2004–11–25	Interview
Ndiritu, John	Programme Officer, Urban Development	Embassy of Sweden	2004–11–22	Group meeting
Nordin, Kicki	Regional Officer, Lake Victoria Project, East African Commu-nity	Embassy of Sweden	2004–11–22	Group meeting
Nordin Jayawardena, Annika	Programme Officer, Democracy and Human Rights, Mainiak	Embassy of Sweden	2004–11–23 2004–11–24 2004–11–26	Interviews, group meeting and informal conversation
Odhiambo, Millie G. A.	Executive Director	The Child Right, Advisory Documenta-tion and Legal Centre (CRADLE)	2004–11–26	Interview
Ouma, Steve	Deputy Executive Director, Pro-gramme Co-ordinator	Kenya Human Rights Commission, Govt. of Kenya	2004–11–26	Interview
Okondo, Hendrica	Programme Co-ordinator	United Nations Devel-opment Fund for Women (UNIFEM)	2004–11–26	Interview

Östman, Anders	Deputy Head of Division, Desk Officer for Kenya	Division for Central and East Africa, Department for Africa	2004–11–22 2004–11–26	Group meeting and informal conversation
Stridsman, Maria	Head of Development Co-operation Division	Embassy of Sweden	2004–11–22 2004–11–26	Interview, group meeting and informal conversation
Tuiyott, Pamela	Programme Co-ordinator	Preventive Human Rights Education Department, Education Centre for Women in Democracy (ECWD)	2004–11–25	Interview
Vikström, Pär	Programme Officer, Health and HIV/AIDS	Embassy of Sweden	2004–11–22 2004–11–23	Interview and group meeting
Wiking, David	Regional Adviser, Democracy and Human Rights	Embassy of Sweden	2004–11–22 2004–11–23	Interview and group meeting

Vietnam (Hanoi)

Name	Position	Organisation	Date	Comment
Agrell, Jan-Olov	Minister, Development Cooperation	Embassy of Sweden	2005–02–14 2005–04 2005–05–12	Interview and group meeting, informal conversation and e-mail correspondence
Bengtsson, Mats	First Secretary, Development Cooperation, Donor Coordination, Harmonisation, Research	Embassy of Sweden	2005–02–14 2005–02–21	Group meetings
Christensen, Jens Dyring	Enterprise Specialist	International Labour Organisation (ILO) office in Vietnam	2005–02–17	Interview
Dahlström, Anette	First Secretary, Development Cooperation, Governance	Embassy of Sweden	2005–02–14 2005–02–15	Interview and group meeting

Davidsen, Sören	Governance Specialist, Research Department	The World Bank	2005–02–18	Interview
Doanh, Le Dang	Advisor to the Minister for Planning and Investment, Ph.D.	Ministry of Planning and Investment, Government of Vietnam	2005–02–18	Interview
Donovan, James L.	First Secretary, Economist	Embassy of Sweden	2005–02–14 2005–02–18 2005–02–21	Interview, group meetings and informal conversation
Dung, Ngo Phuong	National Programme Officer, Culture and Media	Embassy of Sweden	2005–02–14 2005–02–21	Group meetings
Frank, Dean	Head of Aid/ Counsellor (Development)	Canadian Embassy	2005–02–18	Interview
Greve, Rose-Mary		International Labour Organisation (ILO) office in Vietnam	2005–02–17	Interview
Ha, Pham Nguyen	National Programme Officer, Health and Research	Embassy of Sweden	2005–02–14 2005–02–21	Interview and group meetings
Hang, Hoang Dieu	National Programme Officer, Energy and Gender	Embassy of Sweden	2005–02–14 2005–02–21	Interview and group meetings
Jörgensen, Anders Baltzer	Development Cooperation Counsellor	Royal Danish Embassy	2005–02–15	Interview
Lien, Le Thi Ngoc	National Programme Officer, Private Sector Development	Embassy of Sweden	2005–02–14 2005–02–21	Interview and group meetings
Linh, Bui Ngoc	National Programme Officer, Rural Development and Forestry	Embassy of Sweden	2005–02–14 2005–02–16 2005–02–21	Interview and group meetings
Lindstedt, Anna	Ambassador	Embassy of Sweden	2005–02–14 2005–02–21	Interview and group meeting

Makken, Frans	Counsellor	Royal Netherlands Embassy	2005–02–15	Interview
Minh, Vu Hoai	Programme Facilitation Adviser, Deputy Team Leader	Poverty Alleviation Programme Chia Se, Ministry of Planning and Investment, Government of Vietnam	2005–02–17	Interview
Minh,Vu Tuan	National Programme Officer, Legal Sector	Embassy of Sweden	2005–02–14 2005–02–15 2005–02–21	Interview and group meetings
Ngoc, Nguyen Quang	National Programme Officer, Public Administration	Embassy of Sweden	2005–02–16 2005–02–21	Interview and group meeting
Nörlund, Irene	Research Associate, Ph.D.	Department of Geography and International Development Studies, Roskilde University and Nordic Institute of Asian Studies, Denmark	2005–02–16	Interview
Runeborg, Anna	First Secretary, Senior Programme Officer, Development Cooperation	Embassy of Sweden	2005–02–21	Group meeting and informal conversation
Samuelsson, Rolf	First Secretary, Development Cooperation, Rural Development, Natural Resources and Environment	Embassy of Sweden	2005–02–14 2005–02–21	Interview and group meetings
Seppälä, Pekka	Counsellor	Embassy of Finland	2005–02–17	Interview
Thong, Do Xuan	Head of Europe Division, Foreign Economic Relation Department, Programme Secretariat Staff	Poverty Alleviation Programme Chia Se, Ministry of Planning and Investment, Government of Vietnam	2005–02–17	Interview

Laos (Vientiane)

Name	Position	Organisation	Date	Comment
Åberg, AnnLis	Chargé d'Affairs	Embassy of Sweden	2005–02–22 2005–02–23 2005–02–24 2005–02–25 2005–06–29	Group meetings, interview and informal conversation
Bråthen, Ann-Marie		Statistics	2005–02–23	Interview
Duangthanome, Khamphou	Director, Personnel and Administration Division, Department of Roads	Ministry of Communication, Transport, Post and Construction, Government of Laos	2005–02–24	Group interview
Hallenborg, Johan		Embassy of Sweden	2005–02–28	Interview
Inthideth, Khamphet	Director, Planning and Technical Division, Department of Roads	Ministry of Communication, Transport, Post and Construction, Government of Laos	2005–02–24	Group interview
Khamkhosy, Keoviengsanh	Director, Disbursement Division, Department of Roads	Ministry of Communication, Transport, Post and Construction, Government of Laos	2005–02–24	Group interview
Khammany, Thongdeun	Deputy Director, Disbursement Division, Department of Roads	Ministry of Communication, Transport, Post and Construction, Government of Laos	2005–02–24	Group interview
Kjellström, Claes	First Secretary, Ph.D.	Embassy of Sweden	2005–02–22 2005–02–23 2005–02–25	Group meetings and interview
Lindemalm, Frida	Programme Manager, M.Sc. Biology, STEA	Ramboll Natura	2005–02–25	Group interview
Mahathirath, Sisongkham	Co-ordinator, Lao-Swedish Upland Agriculture and Forestry Research Programme	National Agriculture and Forestry Research Institute (NAFRI)	2005–02–25	Group interview

Mektakul, Somnuk	Deputy Director, B.Eng. (Civil), Local Road Division, Department of Roads	Ministry of Communication, Transport, Post and Construction, Government of Laos	2005–02–24	Group interview
Mossberg, Carl Gustav	Senior Programme Management Adviser, Lao-Swedish Upland Agriculture and Forestry Research Programme	to National Agriculture and Forestry Research Institute, from Ramboll Natura	2005–02–25	Group interview
Nugent, James A.	Country Director	Asian Development Bank, Laos	2005–02–22	Informal conversation
Olsson, Sune	Institutional Development Specialist, Team Leader, Lao-Swedish Road Project II	Ministry of Communication, Transport, Post and Construction, Government of Laos and SweRoad	2005–02–24	Group interview
Pholsena, Sommad	Vice Minister	Ministry of Communication, Transport, Post and Construction, Government of Laos	2005–02–24	Interview
Ratanavong, Souvanny	Director of Management, Manpower Development Division, Personnel Department	Ministry of Communication, Transport, Post and Construction, Government of Laos	2005–02–24	Group interview
Sompheth, Laokham	Deputy director General, M.Sc. Bridge & Tunnel Engineering, Department of Roads	Ministry of Communication, Transport, Post and Construction, Government of Laos	2005–02–24	Group interview
Southivong, Sombath		Embassy of Sweden	2005–02–22 2005–02–23 2005–02–25	Group meetings and interview
Souvannavong, Pho Ngeun	Director, Environmental and Social Division, Department of Roads	Ministry of Communication, Transport, Post and Construction, Government of Laos	2005–02–24	Group interview

Tegman, Marianne	Counsellor	Embassy of Sweden	2005–02–23 2005–02–24 2005–02–25	Group meetings and interview
Vannebäck, Ulf	Chief Technical Advisor, Strengthening Legal Education at the Faculty of Law and Political Science Project	to Faculty of Law and Political Science, National University of Laos, from University of Umeå	2005–02–23	Interview
Vongsay, Daovong	Senior Programme Officer	Embassy of Sweden	2005–02–22 2005–02–23 2005–02–24 2005–02–25	Group meetings and interview
Siharath, Daochinda	Deputy Director, Project Monitoring Division, Department of Roads	Ministry of Communication, Transport, Post and Construction, Government of Laos	2005–02–24	Group interview

Appendix B: List of References

Andersen, Henny; Axberg, Göran Nilsson; Dai, Ho Thi Phuong; Evans, Hugh Emrys (team leader); Long, Vu Ngoc; and Quan, Le Qouc (2004): 'In-depth Review of the Chia Se Poverty Alleviation Programme', Final Report, 21 December, Prepared for Embassy of Sweden, Vietnam

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Appendix C: Activities during the Field Visits

Mozambique (14–19 November, 2004)

- Interviews with individual embassy staff, other donors and long-term advisors (implementing consultants)

- Group interview with national programme officers (NPO:s) at the Embassy

- Informal meetings with embassy staff and long-term advisors during after-work sessions, dinners etc.

- Half-day introductory seminar with development co-operation staff at the Embassy, including presentation of UTV, Sida's Evaluation Manual and UTV's consultancy services and discussion of role and forms of evaluation, and presentation of the evaluation theme and institutional concepts, discussion and exchange of experiences and ideas on institutional development issues

- Debriefing seminar with development co-operation staff at the embassy, presentation of major preliminary observations, feedback from embassy staff and discussion

- Minor evaluation consultancy with individual embassy staff

Kenya (22–26 November, 2004)

- Interviews with individual embassy staff, other donors, long-term advisors (implementing consultants) and development co-operation partners (within public sector and NGO:s)

- Informal meetings with embassy staff and other Sida staff during after-work sessions, dinners etc.

- Brief presentation of team and task to entire embassy staff

- Introductory seminar with development co-operation and regional advisory staff at the embassy, including presentation of the evaluation theme and institutional concepts, discussion and exchange of experiences and ideas on institutional development issues

- Lunch seminar with embassy staff, including presentation of UTV, Sida's Evaluation Manual and UTV's consultancy services and discussion of role and forms of evaluation, and presentation of central differences between evaluation and monitoring and central issues related to monitoring and monitoring systems and discussion

- Debriefing meeting with Maria Stridsman and Annika Nordin Jayawardena from the Embassy, presentation of major preliminary observations, feedback from them and discussion

- Major evaluation consultancy with individual embassy staff

Vietnam (14–21 February, 2005)

- Introductory meeting with the Ambassador, presenting and discussing the evaluation theme and the associated issues as well as her experience

- Interviews with individual and pairs of Embassy staff, past and present local development co-operation partners (within public sector), other donors, an independent observer and an implementing partner organisation (International Labour Office, ILO)

- Informal meetings with Embassy staff during lunch, dinner and small-talk at the Embassy

- Introductory seminar with development co-operation staff at the Embassy, including presentation of the evaluation theme, preliminary questions and central concepts, discussion and exchange of experiences and ideas on institutional development issues

- Debriefing seminar with development co-operation staff and the Ambassador at the Embassy, presentation of major preliminary observations, feedback from staff and discussion, as well as discussion of possible follow-up evaluation

- Major evaluation consultancy with individual Embassy staff

Laos (22–28 February, 2005)

- Individual and group interviews with Embassy staff, local development co-operation partners (within public sector) and long-term advisors (implementing consultants)

- Informal meetings with Embassy staff, advisors (implementing consultants) and other donors during breakfast, lunch and dinner

- Introductory seminar with development co-operation staff at the Embassy, including presentation of the evaluation theme, preliminary questions and central concepts, discussion and exchange of experiences and ideas on institutional development issues

- Seminar on pre-study by Pernilla Sjöquist Rafiqui on 'Institutional Perspectives on the Road and Forestry Sectors in Laos, Sida Studies in Evaluation 03/04, commissioned by UTV – with Embassy staff, including presentation, reflection and discussion of her central findings and the experiences of Embassy staff in current situation, other sectors as well as in Laos more generally

- Evaluation seminar with Embassy staff, including presentation of Sida's Evaluation Manual, UTV and UTV's consultancy services and discussion of role and forms of evaluation, differences between evaluation and monitoring, and possible future joint UTV-Embassy evaluation on support for institutional development

- Minor evaluation consultancy with individual Embassy staff

Appendix D:
Seminars at Sida Headquarters in Stockholm

- Meeting with the Project Reference Group, 10 February, 2005

- Seminar with the Policy and Method Group of the Department for Infrastructure and Economic Cooperation (INEC), 17 March, 2005

- Seminar with the entire Division for Democratic Governance at the Department for Democracy and Social Development (DESO/Desa), 5 April, 2005

- Seminar with the Country Groups for Kenya and Mozambique, 28 April, 2005

- Seminar with the entire Division for Infrastructure and Finance at the Department for Infrastructure and Economic Cooperation (INEC/IF), 10 May, 2005

- Meeting with the Project Reference Group, 11 May, 2005

- Seminar with the Country Groups for Laos and Vietnam, 12 May, 2005

- Seminar with entire Division for Contract-Financed Technical Cooperation at the Department for Infrastructure and Economic Cooperation (INEC/KTS), 31 May, 2005

- Full-day seminar on lessons from experience of Sida consultants working with support for institutional development, 9 June, 2005

UTV Working Papers

2001:4   The Quality of Counterpart Reports: an assessment of quarterly and
annual reports from four bilateral programmes in Tanzania 1997–1999
Göran Schill

2001:5   Evaluating External Assistance to the Western Balkans
– with Special Emphasis on Bosnia and Herzegovina: A Preparatory study
Bo Sedin

2002:1   Mainstreaming Gender Equality:
Sida's support for promotion of gender equality in partner countries:
Inception Report
Britha Mikkelsen, Team leader, Ted Freeman, Bonnie Keller, et allis

2002:2   Approach to Private Sector Development in the EEOA Programme, Zambia
Stephen Goss, Roger Blech, Guy Scott, Christopher Mufwambi

2004:1   Evaluation of Integrated Area Programmes in Bosnia-Herzegovina
– a Report from an Evaluation Workshop
Joakim Molander, Maria Elena Wulff, E. Anders Eriksson, Jonas Bergström,
Katica Hajrulahovic, Tale Kvalvaag

2004:2   Integrating Gender Equality into Development Co-operation – Drawing Lessons
from the Recent Evaluations by Sida and the European Commission:
Joint Seminar, Brussels, November 2003
Mary Braithwaite, Britha Mikkelsen, et allis

2004:3   Development of Swedish General Budget Support 1990–2003
Lorena Acevedo Nares, Martin Christensen

2004:4   Effects of Budget Support – A Discussion of Early Evidences
Maria Nilsson

2005:1   The Impact of Aid for Reconstruction of Homes in Bosnia and Herzegovina
Dragan Bagić, Dejan Dedić

2005:2   Značaj pomoći. Sociološko istraživanje životnih uvjeta i stavova prema obnovi u
Bosne i Hercegovine
Dragan Bagić, Dejan Dedić

2005:3   Supporting the Development of Institutions – Formal and Informal Rules:
An Evaluation Theme, Basic Concepts
Gun Eriksson Skoog

2005:4   Donor Approaches to the Development of Institutions – Formal and Informal Rules:
A Partial Overview
Sara Bandstein