

Annual Report of Sida Evaluation Activities 2002



SWEDISH INTERNATIONAL DEVELOPMENT
COOPERATION AGENCY

Department for Evaluation and Internal Audit

**Annual Report of Sida
Evaluation Activities 2002**

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1 Introduction

The Department for Evaluation and Internal Audit (UTV) is responsible for presenting a yearly report on its own evaluation activities and a follow-up of Sida's evaluation plans to Sida's Board of Directors.

UTV has three main areas of responsibility: evaluation, documentation of Sida's evaluation activities and internal auditing. This annual report deals with the first two areas. The output of the internal auditing activities is covered by a separate annual report. Due to accounting technicalities, chapter 3 on resources and utilisation of funds will present the two functions together, whereas chapter 2 only deals with evaluation activities.

This year's Annual Report of Sida evaluation activities is in English for the first time, which is a natural development as the Annual Sida Evaluation Plan for many years has been in English. This change is also in recognition of the stake in Sidas evaluation activities held by the embassies and the national programme officers as well as of Sidas co-operation partners.

2 UTV evaluation activities

UTV evaluation activities are categorized as follows: evaluation projects, support to Sida departments, documentation and information, external networking/support and internal development projects.

In general terms evaluation here means evaluations where UTV has a major stake in the planning, implementation and managing of the evaluation. The work is mostly carried out by external consultants. Typically the evaluations and studies of UTV are concerned with major themes in development co-operation, methodological or management issues. UTV is also engaged in joint evaluations with other donors.

The support given to Sida's other departments is both in response to demand for advice in relation to a particular project and geared to developing institutional capacity through training and general guidance.

UTV is responsible for Sidas evaluation series and for maintaining an evaluation database. UTV makes sure that Sida evaluations are readily available in hard copies and conveniently available for interested partners on Sida's homepage.

UTV fulfills various external tasks and participates in various international networks concerned with evaluation of development co-operation.

The internal tasks are limited in scope and are mainly concerned with improving processes and routines within UTV.

Most activities of UTV are treated as projects in annual planning. Because many evaluation projects are carried out during one or more fiscal years the Department is not expected to finalise all its projects in any one year. The relatively high percentage of carry-over also reflects the fact that several projects are concerned with long term activities. The following table presents the status of the UTV projects at the end of each of the past three years.

Table 1. Number of projects as of 31st of December

	Ongoing	Finalised	Cancelled	Carry-over
2002	31	8	0	23
2001	30	11	0	19
2000	33	9	1	23

2.1 Evaluation

The evaluation plan for 2002 comprised 17 evaluations. Apart from evaluations there is also 1 study in evaluation. A complete list of these evaluations and studies is attached as *Appendix A*.

Eight evaluations and studies in evaluation were finalised in 2002. (For a complete list with titles, contents and major conclusions of these projects see *Appendix B*).

All major evaluations completed during 2002 were discussed at workshops and seminars at various stages of preparation. Interested parties, both within and outside Sida, have been given an opportunity to discuss and comment on the design, the findings and the conclusions and recommendations of UTV evaluations. In 2002 UTV hosted 8 major seminars and workshops in connection with its evaluations (see also *Appendix D* for a list of seminars).

These seminars and workshops were mostly held at the Sida office in Stockholm. However seminars were held at the embassies in Tanzania, Uganda and Kenya in connection with the thematic evaluation of ownership. The seminars were generally well attended.

2.2 Support to Sida departments

Each evaluation officer at the Department is responsible for two or more departments and hence being requested from time to time to give his or her best advice in matters related to the other department's own evaluations.

Work on a revised Evaluation Manual has progressed to the point where a draft will be launched in the first half of 2003. UTV also maintains an evaluation network within Sida. This network has met once in 2002 and discussed issues of common concern related to procedures and quality assurance.

Staff from the Department occasionally participated as teachers in in-house training situations, notably when there is a course for newly recruited Sida personnel. In 2002 the Department also assisted the Human Resources Department in a more in-depth course on evaluation as well as informing a group of national programme officer on visit to the Stockholm headquarters.

Yet another systematic way of influencing the Sida organisation in terms of better understanding the need to plan for evaluation, and its different techniques, at an early stage is by having a representative in the Sida Project Committee. The Project Committee gives advice to the Director General prior to the decision on contributions exceeding SEK 50 million. In 2002 this committee reviewed 19 different assessment memoranda.

In 2002 UTV has had the opportunity to promote the role of monitoring and evaluation in development co-operation by commenting on a number of major reports such as Perspectives on Poverty, the Parliamentary Commission on Swedish Policy for Global Development and a draft of the manual Sida at Work.

2.3 Documentation

UTV publishes all Sida evaluations in a series of publications and makes sure that they are readily available in hard copies and conveniently available for interested partners to download from Sida's homepage.

Apart from this publishing and distribution activity, UTV maintains a data base on Sida evaluations and a minor reference library of international literature on evaluation in general.

The number of publications in the past three years is detailed in the table below.

Table 2. Number of publications 2000–2002

	Sida Evaluations	Sida Studies in Evaluation	Sida Evaluation Newsletter	Working Papers
2002	38*	1	2	2
2001	39	4	4	5
2000	42	5	3	4

*40 published, of which 2 were translations

Working Papers are not published digitally but available through the UTV library. The documents published in 2002 are listed in *Appendix C*.

A structural change in the Sida homepage took place in early 2002, which unfortunately caused temporary difficulties for many of our external partners to localise Sida evaluations on the web.

2.4 External tasks

UTV also carries out a number of external tasks such as participating in the management structure of Sida and in external networks and joint initiatives. The Head of the Secretariat is a member of the Management Committee and UTV staff is representing Sida and Sweden in various international contexts.

In 2002 UTV has on several occasions extended services and advice to the Ministry of Foreign Affairs.

During 2002 UTV participated in regular meetings with the DAC Working Group for Aid Evaluation and the EU Heads of Evaluation Services (EUHES) as well as with the Nordic HES. In the EU context UTV took active part in the Steering Group for the joint evaluation project called Triple C (Coherence, Co-ordination and Complementarity).

UTV participated in two meetings with our Nordic colleagues whereof one regular meeting in Copenhagen in September with the HES. In December 2002 UTV also hosted a workshop with evaluation officers from the Nordic countries to discuss country-based evaluations and possible joint evaluations.

3 Available resources and utilisation of funds

In 2002 UTV had 15 regular and one temporary staff positions, the same as the previous year. UTV had a total of seven positions as evaluation officers. One of the evaluation officers is also deputy director of UTV. However part time work and vacancies reduced the effective evaluation staff to 4.5 person

years in 2002. In addition UTV had one librarian responsible for documentation and a project assistant working mostly with evaluation activities.

UTV is allocated administrative funds and funds on the account for Bilateral development (see table 3 below). To cover administrative costs, including salaries, UTV as a whole was allocated a budget for 2002 of SEK 8 701 000 (a 9% increase over the previous year).

On the account for Bilateral development co-operation UTV was allocated SEK 15 000 000 (SEK 1 000 000 higher than the previous year) plus an unspent balance of SEK 3 911 038 from 2001. These funds are mainly used for consultancy services and for costs related to the printing and dissemination of reports.

Mainly due to the vacancies UTV had a utilization rate of 93% of available administrative funds in 2002. When it comes to utilization of available funds on the development account UTV used 84% of its allocation, amounting to a total of SEK 15 955 396, almost 50% higher than the previous year. The unusually high outcome is mainly due to a number of major evaluations being completed during the year.

Of the unspent balance UTV will be able to carry over to 2003 a maximum of 3% on the administration account and possibly all remaining funds on the development account.

Table 3. Budget and expenditure 2000–2002 (thousand SEK)

	Development account		Administrative account	
	Budget	Expenditure	Budget	Expenditure
2002	18 911	15 955 (84%)	8 701	8 058 (93%)
2001	14 000	10 752 (77%)	7 901	7 623 (96%)
2000	11 000	7 150 (65%)	7 099	6 826 (96%)

4 Evaluation activities by Sida's departments

Sida's sector and regional departments carry out a significant number of evaluations. UTV is responsible for follow-up of the departments' evaluation plans as well as publishing and documenting. As in 2001, the departments' reporting to UTV has been satisfactory.

Only 45% of the evaluations included in the 2002 plan were completed or will continue in 2003, which may be compared with 64% and 37% in 2001 and 2000 respectively. In addition, 17 evaluations were completed which were not specified in the evaluation plan. This may be compared with 9 and 8 in 2001 and 2000 respectively. All evaluations that were reported to UTV as completed have been published in the series "Sida Evaluation".

The following table presents the status of the evaluations which were reported in the Evaluation Plan for 2002. The table is based on information provided by Sida's departments.

Table 4. Departmental evaluations in plan 2000–2002 (number of evaluations)

Evaluation projects	2002	2001	2000
<i>Planned</i>	91 ¹	96	87
Completed	19	27	34
Active	22	34	15
Total	41	61	49
Will start later (in plan)	22	16	17
Cancelled (in plan)	28	19	21
Total	50	35	38

The following table shows all evaluations produced or under production by Sida's departments during 2002 as reported to UTV.

Table 5. Departmental evaluations both planned and unplanned 2000–2002 (number of evaluations)

Evaluation projects	2002	2001	2000
<i>Total of completed and active projects</i>	65	82	57
Completed	35	36	42
In plan	19	27	34
Not in plan	16	9	8
Active	30	46	15
In plan	22	34	15
Not in plan	8	12	0

Sida Evaluation Data Worksheet is submitted to UTV in connection with the publication of the departments' evaluation reports, and contains basic information about the evaluations. During 2002 the departments submitted worksheets for all 35 completed evaluations, compared with 94% in 2001 and 70% in 2000. The presentation below is based on this information.

The distribution among the departments responsible is presented in Table 6.

Table 6. Completed and published evaluations by department in 2002²

Responsible department:	Evaluations
Africa	0
Asia	6
Eastern and Central Europe	2
Latin America	5
Co-operation with NGOs and Humanitarian Assistance	2
Democracy and Social development	3
Infrastructure and Economic Co-operation	3
Natural Resources and the Environment	3
Research Co-operation	11
TOTAL	35

The total cost for the evaluations where UTV has received information (not all the worksheets contain this information) is estimated to 17 552 000 SEK. In 2002 the average cost for an evaluation was 501 000 SEK compared with 587 000 SEK in 2001 and 440 000 SEK in 2000.

The annual cost of the departments' evaluations is approximately 0.2% of Sida's total use of allocated financial resources during 2002, the same proportion as in the previous two years.

¹ 92 are in the plan but one of these was completed and published in 2001

² UTV has published 40 evaluations in 2002 of which 2 were translations, 6 were from UTV (3 of which in co-production with the Department for Asia).

Table 7. Departmental costs related to evaluations during 2000–2002

	Total cost (for Sida)	Average cost
2002	17 552 000	501 000
2001	14 677 000	587 000
2000	11 011 000	440 000

A rough calculation on the basis of the information given in the data worksheets yields an approximate figure of the volume of Sidas development co-operation that has been evaluated by the departments in any one year. For 2002 the estimation is 368 million SEK, or 4.2% of Sida's total development co-operation. The corresponding estimate for 2001 was 239 million SEK, or 1.9% of Sida's development co-operation. These figures are the result of the following calculation. As the departmental evaluations during 2002 focused on different time periods of Sida's development co-operation an average time-frame of 3.8 years was calculated. The total cost of the evaluated activities during the time periods in question can be estimated to 1.5 billion SEK. An annual average of this sum gives a rough indication of how much of Sida's development co-operation that was evaluated during 2002.

The regional distribution of the evaluations is presented in Table 8. In 2002 there was a notable shift from East Europe as compared with 2001.

Table 8. Regional distribution of evaluations 2000–2002³ in percent

	Africa	Asia	Latin America	East Europe	Global	Other
2002	28%(10)	28%(10)	26%(9)	6%(2)	6%(2)	6%(2)
2001	17%	23%	3%	54%	3%	
2000	35%	35%	17%	10%	3%	

There has been a significant increase of evaluations within the non-governmental development co-operation, making it the most evaluated channel (44%) in 2002.

Table 9. Channels for the evaluated development co-operation 2000–2002³

	Bilateral	Multilateral	Non governmental	Incomplete
2002	38%(13)	15%(5)	44%(15)	3%(1)
2001	59%	17%	24%	
2000	69%	10%	21%	

In 2002 more than half of the evaluations dealt with the social sector.

Table 10. Sector for the evaluated development co-operation 2000–2002³

	Social sector	Economic sector	Infrastructure sector	Public admin	Disaster relief	Incomplete
2002	52%(20)	13%(5)	11%(4)	11%(4)	8%(3)	5%(2)
2001	45%	13%	9%	27%	6%	
2000	31%	29%	14%	26%	0%	

³ Note that one evaluation may cover more than one region, channel or sector.

Appendix A

UTV Evaluations and Studies According to Annual Plan 2002

Number	Started	Status 2002 12 31	Name
<i>Evaluations and studies</i>			
1	2001	Continues 2003	Follow up study on environmental concerns in Sida evaluations
2	1999	Completed 2002	Aid, Incentives, and Sustainability
3	2000	Completed 2002	Thematic study of ownership in Swedish development Co-operation
4	2000	Continues 2003	Evaluation of contract-financed co-operation (KTS)
5	2001	Prestudy starts in 2003	The impact of aid on public budgeting and expenditure
6	2001	Continues 2003	Evaluation of Sida's approach to PSD support for rural development
7	2001	Continues 2003	Evaluation of Sida support for PSD in Eastern Europe
8	2000	Completed 2002	Area development projects: poverty reduction, sustainability and learning
9	2001	Continues 2003	Evaluation of support for institutional development in Laos: the roads and forestry sectors
10	2002	Starts 2003	Evaluation of Sida support to culture and the media
11	2002	Starts 2003	Evaluation of Sida's HIV/Aids strategy
12	2000	Completed 2002	Evaluation of gender equality in project support
13	2002	Continues 2003	Study of evaluations methods for assessing gender equality
14	2001	Continues 2003	The rights of the child: evaluation of children as a target group for Swedish assistance

15	2001	Completed 2002	Evaluation of country strategy for the co-operation with Vietnam
16	2001	Completed 2002	Evaluation of country strategy for the co-operation with Laos
17	2002	Starts 2003	Evaluation of the Swedish co-operation with country X
18	2001	Starts 2003	Evaluation of support to Bosnia-Herzegovina
<i>Projects and activities in co-operation with other organisations</i>			
19	2001	Continues 2003	Evaluation of support to basic education in co-operation with the Netherlands and other donors within the DAC framework
20	2000	Continues 2003	Evaluation of the three C's in the context of European Union aid, carried out jointly under EUHES supervision
21	2000	Continues 2003	Evaluation of the comprehensive development framework (CDF), carried out jointly by the World Bank and other DAC members
22	2001	Continues 2003	Evaluation of general budget support
<i>Other projects</i>			
23	2002	Ongoing	DAC Working Party on Aid Evaluation
24	2002	Ongoing	EGDI, Expert Group on Development Issues
25	2002	Starts 2003	Follow-up of management response to UTV evaluations
26	2002	Completed 2002	Review of the organisation for the production of Sida Evaluations Newsletter
27	2002	Ongoing	Annual Report about Sida evaluations to DAC evaluation inventory
28	2000	Continues 2003	Production of evaluation manual for Sida

29	2002	Ongoing	Reporting to Ministry for Foreign Affairs about UTV evaluations and audits
30	2002	Ongoing	Preparatory assessments of evaluation projects
<i><u>Not included in the plan</u></i>			
	2002	Completed 2002	Country Plans: the Missing Middle of Sida's Country Strategy Process

Appendix B

Presentations of Evaluations Concluded in 2002

Mainstreaming Gender Equality – Sida's support for the promotion of gender equality in partner countries

Sida Evaluation 02/01, 02/01:1, 02/01:2, 02/01:3 and 02/01:4

The evaluation deals with efforts to promote gender equality through development co-operation in Bangladesh, Nicaragua and South Africa. The evaluation questions concern how a mainstreaming strategy has been reflected in country strategies and projects supported by Sida, as well as potential gender equality results of projects. Lessons from the evaluation are intended to feed into a planned revision of Sida's Action Programme for gender equality. In addition, the evaluation serves as a response to the requirement for a gender equality evaluation stated in the Ministry for Foreign Affairs' letter of appropriation for 2001.

The evaluation concludes that Sida's action programme and consequently a mainstreaming strategy has influenced the Swedish country strategies for the three countries. The 1997 strategies for the co-operation with Bangladesh and Nicaragua represent a high water mark in their attention to gender equality. They reflect much of the momentum created by the 1995 Beijing conference on women and the subsequent preparation of Sida's action programme. More recent country strategies are not as clear in their attention to gender equality.

As may be concluded from a dozen project case studies, mainstreaming of gender equality issues in projects does not meet the high level of ambition that is reflected in Sida's action programme. Most projects exhibit only embryonic evidence of mainstreaming, but an effort to mainstream gender equality is more prominent in a few projects. Positive gender equality results are present in several projects. Examples of results are better reproductive health services in Nicaragua, reduced isolation of specific groups of women through mass literacy programmes in Bangladesh and increased awareness and sensitivity to gender equality in the projects in South Africa. Only two projects, both of them in Nicaragua provide evidence of a direct intent to deal with issues of male roles and ideas about masculinity.

The overall conclusions and lessons learned section in the evaluation report covers a broad range of issues. The need for clarity and visibility in the statement of gender equality as a goal, especially at the level of interventions is emphasised. Further, the evaluators stress that reinforcing links between the promotion of gender equality and poverty reduction should be made explicit. Sida is recommended to pay more attention to opportunities for dialogue and to be more specific in dialogue situations. Capacity building in gender equality issues, e g for Sida staff, partners and consultants, is mentioned as an important area for continued Sida efforts. The evaluators highlight the need for a set of core requirements for mainstreaming. These include a reasonable level of gender analysis, clear gender equality goals and some means of monitoring and reporting on changes in gender equality.

The evaluation is the result of an extended process involving many actors in discussions and seminars during the evaluation process. Evaluation results and lessons have been presented to interested parties in Sweden, at the three Embassies, to project staff in partner countries as well as to the international donor community.

Implementation of the 1999–2003 Country Strategy for Swedish Development Co-operation with Vietnam

Sida Evaluation 02/35

This report is one of a pair of studies commissioned by Sida to evaluate how the Country Strategies for Vietnam and Laos were implemented in the 1999 to 2003 period. The purpose of these evaluations is to provide recommendations that can be used by Sida to improve the effectiveness of Swedish development co-operation in general, and future co-operation with Vietnam and Laos in particular.

The report focuses on a dynamic assessment of the implementation and operationalisation of the Country Strategy (CS) rather than a static assessment of program and project documents. This involved examining how the 1999 Country Strategy Paper (CSP) was translated into a portfolio of ongoing projects and programs. Following the wishes of the Swedish Embassy in Vietnam we have also focused on interventions within three sectors: democratic governance; rural development and the environment; and, private sector development and trade.

A number of key issues emerge from our review of the implementation (to date) of the 1999–2003 CS for Vietnam. The most important of these is that there is an “elusive middle” in the operationalisation of the CS. Despite the plethora of documents and fora involved in implementing the CS, some strategic decisions still appear to be made on an ad hoc basis, whose motivation and rationale it is difficult for the evaluators to discern. Second, we find that the current CS model focuses largely on the use of financial resources with insufficient attention paid to the allocation of administrative resources and dialogue capacity. This is especially problematic in the context of politically sensitive interventions (for example in the areas of human rights, public sector reform and private sector development) that are increasingly prominent in Vietnam-Sweden co-operation. Meanwhile the proliferation of donors and aid projects poses challenges for Sweden’s relationship with both the Government of Vietnam and other donors. Sida’s comparative advantage in Vietnam is no longer as a source of investment capital. We also note how the “rolling-over” of some projects from one phase to the next has reduced the flexibility of the co-operation program, and the difficulties of translating Sida’s multidimensional view of poverty into discrete sectoral portfolios.

Implementation of the 1999–2003 Country Strategy for Swedish Development Co-operation with Laos

Sida Evaluation 02/36

In early 2002 Sida commissioned two studies to evaluate how the Country Strategies for Vietnam and Laos were implemented in 1999 to 2003, with the objective of providing recommendations based on key issues and themes that would improve the effectiveness of Swedish development co-operation in general and future development co-operation with Vietnam and Laos in particular. This report contains the findings from evaluation of the Country Strategy for Laos.

A key finding of the evaluation is that despite a plethora of documents there is little if any transparent recording of strategic decision-making. This is not to say strategic decisions are not made. They clearly are as is evidenced by an array of project and programme activities in the environment and natural resources sector and the roads sector. Rather strategic decisions are made in a non-transparent and sometimes ad hoc way and there is no systematic and explicit recording of the rationale underpinning these decisions. That is, the middle, where the Country Strategy Paper is translated into an ongoing portfolio of projects and programmes, remains elusive. In other words there is an elusive middle in the country strategy process.

There are several causes and consequences of this elusive middle. First, the Country Strategy process involves allocation of financial resources yet there is insufficient attention paid to the allocation of

administrative resources for the purposes of dialogue capacity. Secondly, there has been a tendency to roll over and re-package programmes in the environment and natural resources sector, which may be compounded by its reliance on a small group of consultants and selected ministries in the Government of Laos, in contrast to the roads sector, which has drawn on numerous consultants and co-ordinated its activities with other bilateral as well as multilateral donors. Thirdly, in the environment and natural resources sector in particular, some of the fundamental decisions on the form as well as the content of programmes have been made by senior staff and on an ad hoc basis in the Embassy of Sweden and the Lao Ministry for Agriculture and Forestry. Fourthly, the tendency to maintain programmes in a single sector under one Ministry may not be adequate for addressing the poverty dimensions that have been introduced into the Country Strategy process. Fifthly, while Sweden enjoys good access and influence with Lao policy makers, the tendency, particularly in the environment and natural resources sector, to maintain largely bilateral programmes might cause it to be seen as isolationist. Finally, the 1999–2003 Country Strategy Paper has not been widely distributed to Lao co-operation partners, nor has it been translated into Lao.

Country Plans: the Missing Middle of Sida's Country Strategy Process

Sida Evaluation 02/37

This report focuses on the role of annual country plans in Sida's country strategy process. It argues that the country plans need to be developed in order to complement the five-year country strategy paper, and thereby provide key steering power during strategy implementation.

Sida's country strategy model builds on a complementary package of general and specific strategic choices for the allocation of Sida resources. The long term country strategy paper (CSP), with its five-year time horizon, outlines the general approach for such allocation. It is clear about choices of sectors, sub-sectors and main forms of co-operation, but vague and therefore flexible in relation to strategic specifics. The annual country plans (CPs) supply the strategic detail that the CSP lacks.

In current practice, however, insufficient attention is given to documentation of specific and operationally oriented strategic choices in the CPs. The typical CP today consists of three to five pages, mainly with figures on planned and actual disbursements, but little information that provides strategic detail and steering power to the implementation of the country strategy. The result is a strategic vacuum that is filled with extensive negotiation and sometimes conflict between the key players involved: the regional departments, the sector departments and the embassies.

The report takes a close look at this vacuum, labelled the missing middle of the country strategy process. Missing because the specific and short-term strategy orientation of the strategy process is not recorded in the CPs or elsewhere. Middle because it is after the approval of the CSP, but before the implementation of the country programme, that such a strategy orientation is decided on but not documented. The main point of the report is that developed CPs can help fill this middle in a way that charges the strategy process with key steering power, that helps ensure a rational allocation of agency resources, and that saves rather than expends the time of agency staff.

The report is a special offshoot from two evaluations of the implementation of the country strategies for Vietnam and Laos (Sida Evaluation Reports 02/35 and 02/36). At the same time, it is a stand-alone report that addresses issues of general concern regarding the way Sida manages country strategy processes.

The report was produced by Samuel Egerö (Sida's Asia Department) and Göran Schill (Sida's Department for Evaluation and Internal Audit), with external inputs from Dan Vadsjö (SPM Consultants London Ltd) based on his involvement in the mentioned country strategy evaluations. To some extent,

the report is based on inside experience from Sida's country strategy processes that cannot be verified through references to documented information.

Area Development Projects, Poverty Reduction, and the New Architecture of Aid

Sida Evaluation 02/14 and 02/14:1

This evaluation seeks to find out how some of the long-standing problems of the area development approach, notably those of poverty reduction, sustainability and learning, have been solved in more recent area development projects. Formative in purpose, the study also tries to identify how area development projects might be re-tooled to fulfil their mandates more successfully, and to exert stronger influence in an emerging system of aid built around national poverty reduction strategies (PRS) and programme support.

Three projects were selected for study: CARERE/Seila in Cambodia, EEOA in Zambia and ANRS/SARDP in Ethiopia. The main objective of CARERE/Seila has been to establish a responsive system of local government, public investment and service delivery. ANRS/SARDP has similar aims but its focus is more on agriculture and rural infrastructure. EEOA, by contrast, is a programme operating outside the government for the most part. It seeks to build capacity for entrepreneurship among small farmers, facilitates their access to financial services, and helps put in place infrastructure relevant to their needs.

The evaluation found a good grasp of the multidimensionality of poverty in all the projects. While there was a strong emphasis on voice and citizenship as well as income, however, limited attention was given to vulnerability and insecurity. In general, the poor were perceived as producers, with limited attention to their role as labourers or consumers, despite the growing evidence that the poor rely heavily on selling their labour, and that livelihood diversification is strong among the poor. There was little systematic consideration of differences between those who could participate in growth-focused strategies and those unable to owing to, for instance, illness, high dependency ratios, or old age. According to the study, there was scope for considerably more detail in project plans concerning ways in which the needs and opportunities of different categories of the poor could be addressed, and how elites would be prevented from taking the lion's share of resources.

The study strongly makes the point that an area development project with a mandate to "pilot" models and approaches must position itself carefully in relation to questions of integration. It needs to build on the host government's underlying policy positions and the processes, norms and guidelines by which it makes its priorities for public investment, service provision, and facilitation and regulation of the private sector. It needs to target interventions on government structures and processes amenable to change, but remain conscious of those which are fixed. At the same time, an area development project needs to stand outside government in order to foster critical reflection on conventional procedures and norms – if fully "integrated" from the start, its scope to innovate may be stifled.

Referring to the Ethiopian case, the study argues that donors need to be somewhat more sceptical than hitherto of the concept of "ownership". Clearly, the principle of ownership is important, but it should not be used to argue that because the government has demonstrated strong ownership by integrating project activities into its own policies, all is well and there is neither need nor donor legitimacy for challenging government on aspects of its *actual* policy, such as prejudice against the private sector.

In the Ethiopia case, agriculture constitutes a major dimension of the area development project, and yet the project has been weak in getting government to move from a top-down agenda based on credit/seeds/fertiliser packages towards one driven more by people's expressed requirements, and in introducing environmentally friendly measures such as soil and water conservation. Further, public sector

delivery agencies have been weak in providing these services. As a consequence, there are question marks over the economic, institutional and environmental sustainability of this project.

In Cambodia, CAREERE/Seila's strong performance in getting investment and service delivery prioritised in response to people's requirements has contributed to economic and institutional sustainability, and to the government's commitment to scale up the approach piloted by the project. However, illicit timber extraction, especially in the northeast, continues to generate concerns over environmental sustainability, and some government departments (especially Rural Development) need to be engaged more fully if institutional sustainability is to be assured.

In the Zambia case, EEOA depends for its economic and institutional sustainability on the continuing viability of private sector organisations, including the Micro-Bankers' Trust. This, in turn, will depend not only on broader economic prospects, but also on stronger commitment by government to shift away from a "state must provide" philosophy and towards the creation of a supportive environment for the private sector.

Looking forward, the study argues that well-managed area development projects have much to offer the PRS process. For example, they can:

- Show how efficiency can be enhanced by targeting different categories of the poor and by recognising the multidimensionality of poverty
- Suggest types of M & E (including participatory modes of M & E) appropriate to the process, outputs and impact of these
- Indicate how efficiency can also be enhanced by participatory needs assessment and community-based planning of public investments
- Show how local level processes and national objectives can be made compatible with each other in relation to poverty reduction
- Suggest how the mandates of different government departments can be integrated
- Provide a platform for engaging with civil society based on real examples of alternative futures for the poor
- Suggest how cross-cutting issues such as environment and gender can be managed better

As suggested by the case studies, however, the experience of area development projects is unlikely to be used by PRS processes unless a number of conditions are in place. Staff directly involved in the projects (including consultants) must familiarise themselves with PRS processes and liaise with those responsible for these processes in government and donor offices. Government practice and future agendas in relation to decentralisation, taxation, land reform and the private sector must be identified, so that projects can be designed to feed into these plans and processes. There must also be firm evidence in support of the arguments that area development projects can make, and this requires sound baseline studies and strong arrangements for monitoring and evaluation.

The study suggests that Sida should review its approach to area development along these lines. It recommends Sida to reexamine its position regarding ownership and partnership, and to clarify its understanding of the purpose of area development projects. It also suggests that Sida needs to improve its procedures for analysis and assessment at the stage of project preparation – a sustainable livelihoods approach is specifically recommended – and argues that it should help strengthen arrangements for monitoring and evaluation in supported projects. Expanded training of staff is regarded as an essential measure.

Supporting Ownership: A Study of Swedish Development Cooperation in Kenya, Tanzania, and Uganda

Sida Evaluation 02/33 and 02/33:1

This evaluation deals with ownership, a key issue in development cooperation. According to the Swedish position the main responsibility for development lies with the developing countries. Sweden, like other donor countries, has an obligation to assist, but should not direct or drive the process of change. The main question for the evaluation is how this policy has been translated into practice. More specifically it deals with questions of the following kind:

- How and to what extent is ownership an issue in the dialogue between donor and recipient over country strategies?
- How and to what extent is ownership a consideration in project identification, selection, implementation and follow-up?
- To what extent are projects and programs designed with the specific aim to foster partner country ownership?
- To what extent are considerations of popular ownership taken into account, and to what extent are considerations of ownership restricted to the relationship between governments?
- How and to what extent are ownership issues addressed in cooperation and coordination with other donors (i.e. built-in to multilateral support)?

The evaluation is based on case studies of development cooperation with three countries in East Africa, Kenya, Tanzania, and Uganda. In each country half a dozen projects and programs were examined in depth. The samples reflect the variety of development efforts supported by Sweden and Sida in these countries, and were intended to be illustrative of Sida efforts to implement the Swedish policy of facilitating and promoting partner country ownership.

As far as ownership in the country strategy process is concerned, the case studies show considerable variation between the countries. There is close harmony between Uganda's priorities and capacities and Sida's objectives as set out in the country strategy, but there is hardly any evidence of explicit discussion and assessment of Uganda's capacity and willingness to own Sida's development assistance. Nonetheless, Sida funds projects and programs that are given priority by the Ugandan government, and this implies that a strong degree of Ugandan ownership can be assumed. No such assumption can be made in the case of Kenya, where there is little evidence of ownership at the national level. This reflects a determination on the part of the donor to ensure transparency and full accountability in its dealings with the Kenyan government, and the reluctance or incapacity of that government to apply the measures that would achieve this. Tanzania lies somewhere between its two neighbors on this point. Sida has been active in seeking to pass greater responsibility of decision making to the Tanzanian government. While this is evident in the country strategy process, however, examination of experience in Sida-supported activities suggests reluctance on the part of the government to 'take' ownership.

The assessment of Sida efforts to promote ownership at the level of projects and programs are largely favorable. Uganda, once again, provided the most consistent evidence of strong ownership. In Tanzania the picture was less consistent. The budget support program, has stimulated ownership: but the asymmetries of capacity, and changes in disbursements after commitments have been made have tended to undermine ownership to some degree. It is notable that the Non-Governmental Agencies in Tanzania supported by Sida (FEMINA and the private sector projects, for example) have been more enthusiastic about ownership than has the Tanzanian government. While the NGOs tend to embrace ownership, it is more often the case that the Tanzanian government has had ownership 'foisted on it'. In Kenya, there is also a mixed picture. While Sida's assistance to the Kenyan health sector provided

what was the least successful of all the case studies in terms of ownership, perhaps the best example of strong ownership was Kenya's National Agriculture and Livestock Extension Program.

The evaluation emphasizes that ownership requires capacity. Sida and other donors who have moved to budget support have found that in order for tangible results to be achieved, they need to support institution building at central government (line ministry) as well as district level. They have invested in the recipient's capacity to disburse and monitor donor funds, including reform of pay-roll systems, training in procurement and revenue collection and management as well as strengthening financial management systems. Activities of this type were examined among the case studies in each of the three East African countries, and issues of capacity were frequently identified as major impediments to ownership.

Inclusion of stakeholders through consultation and participation is also necessary for ownership. In the case of Uganda, the challenge is to steer the sector-wide approaches to include needs in district as well as local society levels for greater impact on owning projects and programs. This calls for the involvement of all stakeholders, including members of the private sector. In Uganda, 'participation' is given strong emphasis, although the democratic institutions that would consolidate this are as yet lacking. Where program aid predominates it is difficult to assess popular ownership except through an evaluation of the functioning of democratic institutions. In Kenya and Tanzania the situation is different, in that there is as yet lesser emphasis upon program aid, and less government sponsorship of decentralization and local participation. In neither case did the evaluation find strong evidence of popular ownership, although Kenya's energetic civil society organizations are keen to take ownership wherever they can.

With the development of SWAs and basket funding, Sida's development assistance has become more interrelated with the activities of other donors. Where more than one donor is involved in the same project or program the issue of ownership must inevitably converge and be advanced through consensus among those donors. This must also be viewed as part of a wider process of co-operation among the donors themselves which is apparent in all three countries. This donor co-ordination has both weaknesses and strengths in relation to ownership. Increased donor co-operation facilitates the government's bargaining position as it deals with one nominated donor representing the collective opinion of donors. In another, far less positive sense, increased donor co-operation raises the possibility of increased and less flexible conditionalities, as the collective values of the donor group are likely to be entrenched through negotiation.

As the evaluation shows, Sida's development assistance is invariably (and increasingly) linked to the donor dialogue in all three countries. In the health sector in Uganda, for example, Sida is working with the World Bank and in PAF funding with many other bilateral donors. Ownership can in part be assessed by the extent to which the recipient is part of the donor dialogue. In terms of ownership, it is critical to consider the strength of the recipient in challenging 'the united front of donors'. This presents a challenge not only for the partner, but for Sida as well. If Sida is coordinating its funding with other donors, as in the case of basket funding, it must face the fact that either it agrees to conditionalities set by the dominant donor (which in effect means sharing the political interests), or it sets out to negotiate its own position. This currently presents Sida with its greatest dilemma in relation to Kenya. It is also becoming an increasingly prominent issue in Tanzania with Sida participation in basket funding, and it will surely become a more pressing concern in Uganda if concerns over military expenditure and democratization are not resolved.

According to the evaluation, an important questions for Sida is whether it wants its own voice to be heard in this donor dialogue; and whether and how far it wishes to promote the country partner ownership within the donor dialogue. In Kenya, Uganda and Tanzania the answers to these questions will have a substantive impact upon Sida's role over the coming years.

Aid, Incentives, and Sustainability: An Institutional Analysis of Development Co-operation

Sida Studies in Evaluation 02/01 and 02/01:1

Does aid itself create incentives that undermine sustainable outcomes? This is the provoking question underlying the present study. The study explores how incentives that arise in the system of development co-operation affect the sustainability of development outcomes.

The study provides a partly novel framework for institutional analysis of the relationship between ‘aid’, incentives and sustainability and conducts a partial evaluation of the incentive structure within Sida and five Sida-supported projects in India and Zambia. It highlights the importance of incentives and increases our understanding of incentive problems and their institutional causes within developing-country contexts as well as within the system of ‘aid’ itself.

The study finds, among other things, that whereas Sida has a highly motivated staff, this is insufficient for learning about sustainable outcomes. There are few incentives for individual as well as organisation learning about sustainability within the organisation, and the deep expertise and vast experience of the staff has not been employed to its best effect. Another finding is that in spite of Sida’s stress on the importance of local ownership, its actual practice does not live up to the demands on genuine ownership by the actual beneficiaries that sustainable development requires. Sida itself, as well as implementing consultants, retain de facto ownership in important ways.

In order to contribute to more sustainable outcomes, the report recommends Sida to 1) ensure a more explicit and systematic understanding of incentive problems in developing-country field settings as well as those that are shaped by the system of ‘aid’ itself; 2) create incentives that encourage individual and organisational learning about sustainability; and 3) devolve ownership to the actual target population.

A research team from the Workshop in Political Theory and Policy Analysis at Indiana University, headed by the internationally acknowledged political scientist Professor Elinor Ostrom, conducted the study.

Appendix C

Documents Published in Sida Series in 2002

Sida Evaluations 2002:

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Britha Mikkelsen, Ted Freeman, Mirza Najmul Huda, Sevilla Leowinatha, Jowshan A. Rahman
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- 02/01:2 Mainstreaming Gender Equality. Sida's support for the promotion of gender equality in partner countries Country report Nicaragua**
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- 02/01:3 Mainstreaming Gender Equality. Sida's support for the promotion of gender equality in partner countries Country report South Africa**
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Kalinga Tudor Silva, Sepali Kottegoda, Dulan de Silva
Department for Asia, Department for Natural Resources and Environment

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Tom Dahl Östergaard, Sarah Forti, Mónica Crespo
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Volume I: Synthesis report**
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Ellinor Ostrom, Krister Andersson, Clark Gibson, Sujai Shivakumar
Department for Evaluation and Internal Audit

Sida Evaluation Newsletter 2002:

- No 1/02 Promoting gender equality in partner countries – an evaluation of Sida's mainstreaming strategy and Swedish and Dutch support for gender equality in Bolivia – a joint evaluation**
- No 2/02 Incentive Analysis – a Tool for Sustainable Development.**

UTV Working Paper 2002:

- 2002:1 Mainstreaming Gender Equality – Sida's support for the promotion of gender equality in partner countries: Inception report**
- 2002:2 Approach to Private Sector Development in the EEOA Programme, Zambia.**

Appendix D

Major Seminars and Workshops

Approach and Organisation of Sida Support to Private Sector Development	March
Comprehensive Development Framework (CDF)	March
Mainstreaming Gender Equality	May
Area Development Projects	May
Supporting Ownership (held in East Africa)	May
Supporting Ownership, Stockholm	November
Aid, Incentives, and Sustainability	October
Implementation of the Country Strategy for Vietnam and Laos	December
Contract-Financed Cooperation	December
Nordic Evaluation Workshop	December



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