2008:1:3

Joint Evaluation

Elling N Tjønneland
Pundy Pillay
Anneke Slob
Anje Willemsen
Alf Morten Jerve

Managing Aid Exit and Transformation
South Africa Country Case Study

Sida

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This evaluation was published by Sida, but it was co-financed with, Netherland's Ministry of Foreign Affairs, Danida and Norad and it is to be seen a joint endeavor by these agencies.

This digital edition is a special version only published in Sida's publication data base and can be downloaded from: www.sida.se /publications.

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Commissioned by the Swedish International Development Cooperation Agency, Sida, Netherland's Ministry of Foreign Affairs, Danida and Norad.

Date of Final Report: May 2008

Art. no. SIDA46360en

ISBN 978-91-586-4060-3

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Registration No. : 2005-003069

Date of Final Report: May 2008

Digital publishing by Edita

Cover design: Niklas Hägglund

Art. no. SIDA46360en

ISBN 978-91-586-4060-3

URN:NBN: se-2008-12

This publication can be downloaded/ordered from: http://www.sida.se/exitevaluation

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Foreword

This is one of five country case study reports for the evaluation of Managing Aid Exit and Transformation, jointly initiated and funded by the evaluation departments of the ministries and government agencies responsible for development cooperation in Denmark, the Netherlands, Norway, and Sweden. Based on studies of completed and ongoing exits by one or several of the four donor countries from bilateral government-to-government development cooperation with Botswana, Eritrea, India, Malawi, and South Africa the larger evaluation is intended to make a contribution towards the formulation of a shared international framework for the ending and tranformation of bilateral aid relatioinships.

The evaluation was conducted by an independent evaluation team representing a consortium of ECORYS Netherlands BV, Rotterdam, and Christian Michelsen Institute (CMI) , Bergen, Norway. While Ms Anneke Slob, ECORYS, and Mr Alf Morten Jerve, CMI, were the principal team leaders and jointly authored the evaluation Synthesis Report, each country study was managed by a separate country team that included both local and international evaluators.

As stressed in the evaluation Synthesis Report every development cooperation exit has its own unique features and must be planned and implemented accordingly. What this means is developed in detail in the five case study reports. Whereas readers interested in the broader picture must consult the Synthesis Report, each of the country reports can be read and understood on its own.

While the evaluation Synthesis Report is published in print as well as electronically, the five country studies must be downloaded from the Internet (http://www.sida.se/exitevaluation) or from the CD-ROM attached to the Synthesis Report.

Stefan Molund
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Preface

This *South Africa country report* is an integral part of the joint evaluation of aid exit and transformation management. The report is one of the building blocks for the Synthesis Report for this evaluation.

The evaluation was an initiative of four donor countries: Denmark, the Netherlands, Norway and Sweden. The Terms of Reference were published in 2006. Sida has acted as a lead agency for the management of the study. The Terms of Reference asked for five country studies: Botswana, Eritrea, India, Malawi and South Africa. The purpose of the evaluation is to facilitate mutual learning on issues of exit from development co-operation partnerships at country level. Although primarily catering to the information needs of the four donors, it is also expected to be useful for the developing countries that participated in the case studies. The evaluation is seen as an opportunity for donors, development organisations and their developing country partners to share experiences and learn from each other with regard to country exits and their management.

The evaluation was contracted out to the consortium ECORYS (the Netherlands) and Chr. Michelsen Institute (Norway) and started in February 2007. A Steering Group composed of representatives of the aid evaluation departments of the four commissioning donors[1] provided guidance throughout the evaluation. The evaluation was led by a core team with a team leader (Anneke Slob) and a deputy team leader (Alf Morten Jerve) and two assistants for file research. The country case studies were carried out by five separate country teams, with both national and international evaluators.

The *Synthesis Report* presents a full comparative analysis based on the five country reports. Furthermore, it provides recommendations for donors when considering guidelines for exit management. The country reports and the *Inception Report* provide detailed insight into the methodology and the research findings.

The authors of this country report are presented on the front cover. It has been checked by the core team for consistency with the overall methodological framework developed for this evaluation. The core team was also responsible for quality assurance. For enhanced comparability the core team has produced summaries of the country reports that are included as annexes in the synthesis report. Therefore, this report does not contain an executive summary.

Responsibility for the synthesis report, the five country reports and the inception report rests entirely with the evaluation team.

Anneke Slob	Director Evaluation ECORYS NL
Alf Morten Jerve	Senior Researcher, CMI

[1] Evaluation Department of the Ministry of Foreign Affairs of Denmark, Policy and Operations Evaluation Department (IOB) of the Dutch Ministry of Foreign Affairs, Evaluation Department of Norad, and Evaluation and Internal Audit Department (UTV) of Sida.

Introduction

This report presents the findings from an evaluation of how four donor countries – Denmark, the Netherlands, Norway and Sweden – are approaching and managing aid transformation in South Africa. This South African study is part of a bigger, cross-country evaluation of how these four donor countries are managing country level exit processes in development co-operation. The other countries involved in this evaluation are Botswana, Eritrea, India and Malawi.

The study was commissioned by the Danish Ministry of Foreign Affairs/Danida, the Netherlands Ministry of Foreign Affairs, the Norwegian Agency for Development Co-operation (Norad) and the Swedish International Development Co-operation Agency (Sida). The purpose was to facilitate mutual learning on issues of exit from development co-operation partnerships at country level. This evaluation primarily caters to the information needs of the commissioning agencies, but it is also hoped that the study and its findings will be of relevance to partners in developing countries and for other donor agencies. Particularly for this case study, the team hopes that the report will be relevant for the ongoing debate and consultations regarding aid transformation in South Africa.

The Terms of Reference (ToR) and the inception report outline the purpose and methodology for this cross-country evaluation. The term country exit is defined as "exits from bilateral country level development co-operation". Hence, this evaluation does not cover exits from multilateral programmes and partnerships with civil society organizations and the private sector. Therefore, such exits may not necessarily imply complete termination of ODA transfers, but in all cases they represent a major transformation of the development partnership and involve processes of phasing out *government-to-government bilateral aid relationships*, some times, but not always, with the intention to strengthen non-aid forms of country-to-country relations. In this evaluation, country exit is used as a generic term for such processes, which may involve various combinations of the following three sub-processes:

1. *Cessation or phase out* of ongoing bilateral development assistance;
2. *Phase in* of development assistance through other channels (e.g. through private sector, and regional or trilateral co-operation); and
3. *Phase in* of new forms of co-operation not necessarily development-related and including non-ODA funding (by some donors labelled *broader co-operation)*.

In order to cover all three sub-processes the following sample of sectors was determined in the South African case: culture, education and regional co-operation with a focus on policing.

Compared to the other country cases South Africa has a number of special features. One is that only one of the four donor countries was managing a phase-out of their country support programme at the time of data collection. Sweden is implementing a 2004–2008 programme to end most of its grants-based assistance to South Africa. The other donor countries are in various stages of initiating an end to traditional forms of development co-operation. The Netherlands made South Africa a temporary partner country in 1999 with the ambition of ending its aid programmes, but the decision was reversed shortly thereafter. All four countries emphasise the importance of maintaining and expanding bilateral co-operation with South Africa and phasing in new forms of co-operation is central to all of them. They also expect that some aid-funded support will continue to be provided to facilitate such co-operation.

Secondly, since the process of phasing out and transforming aid relations is still in its early stages in this country case, the team has not been in a position to address the consequences. Compared to the other cases, where country level exits or transformation to a large extent have been completed, the South Africa case will therefore focus much more on preparation and initial management of the transformation It is also important to keep in mind the distinction between phasing out as a general feature of development partnerships in the sense that in South Africa, as for all other case countries, there are historically many examples of phasing-out of individual programmes and projects. This evaluation does not deal with this aspect, unless such phase-outs are part of a strategy for 'country exit'. At the time of fieldwork only Sweden was implementing such a strategy. Netherlands in 1999 briefly embarked upon an exit strategy, but stopped short of making sustainability assessments.

Chapter 1 provides an overview and profile of the country aid programmes of the four donor countries. This also includes a section on the role of development aid in South Africa and South Africa's management of this.

In chapter 2 the report presents and analyses how the four donor agencies and their country missions are approaching and managing transformation of their country programmes with South Africa. Chapter 3 presents case studies of transformation in the education and culture area, as well as taking a closer look at how the agencies are working with South Africa in Africa.

The concluding chapter (4) presents the team's findings and lessons.

Chr. Michelsen Institute (CMI) in Norway and ECORYS in the Netherlands formed a consortium that was selected to carry out this joint evaluation of donor management. The consortium commissioned Elling N. Tjønneland (team leader, senior researcher, CMI) and Pundy Pillay (independent consultant, South Africa) to carry out the South Africa case study.

The team began its work in Pretoria on 15th August 2007 with a start-up meeting with the Embassies of the four sponsoring countries, the Department of Foreign Affairs and the National Treasury. The field study ended with a debriefing workshop on 31st August. A list of all persons interviewed and the participants at the start-up meeting and the debriefing workshop are provided in annexes 1 and 2.

The team was accompanied by Anneke Slob (ECORYS, team leader for the entire evaluation) during the last week of the field visit. She also collected data and conducted telephone interviews related to the case study of culture presented in chapter 3. Together with Alf M. Jerve (CMI, deputy team leader for the evaluation) she also read and provided comments on the draft report.

The team has benefited from the support and assistance of a number of people. In South Africa the Embassy of Sweden organised and facilitated the team's meetings. We are grateful to Dag Sundelin (Counsellor, head of

development co-operation), Anders J. Rönquist (deputy head of development co-operation) and Tina Karlsson (assistant) for making this possible. We would also like to thank Vibeke Wang (CMI) and Anja Willemsen (ECORYS) for important assistance in collecting documents and statistical data on the South Africa programme of the four countries.

Above all the country team would like to take this opportunity to thank the numerous officials and other stakeholders in South Africa. In particular, we express our gratitude to officials at the four Embassies. They all gave graciously of their valuable time to provide information, analysis, interpretations and explanations. The views of all of these stakeholders were crucial in helping the team to formulate its assessments and recommendations.

This draft report was presented in mid-October to the members of the steering committee (composed of representatives from the commissioning agencies) and to the stakeholders in South Africa for their comments. Written comments were received from the steering committee, from each of the commissioning agencies and from several Embassies. Additional comments were received after the presentation of the draft synthesis report in February 2008. Final editing and changes were made in May 2008. There has been important development relating to all four donor countries and their development co-operation since the date of fieldwork and the submission of the first draft in October. Some subsequent developments in aid management have been incorporated in the final report, but not events taking place in 2008.

The team has attempted to address all the issues in the Terms of Reference and in comments received. Needless to say, the flaws and omissions are entirely ours. The team is also responsible for the views and recommendations expressed in this report.

Chapter 1

Background – overview of development aid to South Africa

This chapter first provides a brief profile of South Africa's socio-economic status together with an outline of its position and polices on the inflow of Official Development Assistance and the main trends in development aid to South Africa. The chapter then presents the main trends in the South Africa country support programmes of the Netherlands and the three Scandinavian countries.

1.1 South Africa – profile and policies on aid

South Africa is regarded as a middleincome country with a per capita income around US $ 3600, in the same category as Argentina, Brazil, Russia, Turkey and Venezuela.[2] The South African economy displays elements of both development and underdevelopment, sometimes characterized respectively as the 'first' and 'second' economies. In the former, a small but growing proportion of the population enjoys a standard of living comparable with that in the industrialized world while in the latter there are significantly high levels of poverty.

With regard to poverty, recent estimates indicate that more than 45 percent of the population is living below a conservatively-estimated national poverty line (R354 per month).[3] Poverty is also distributed unevenly by race, gender and region. For example, the proportion of black South Africans living on less than US $1 per day was estimated recently at just under 13%; the corresponding figures for coloured, Indian and white South Africans were respectively 3.6%, 3.1%, and 0.4% respectively. Regionally, using the same measure of poverty, the incidence of poverty varies from 2.7% in the Western Cape to 15% in the Eastern Cape and 18% in Limpopo.

Vast inequalities in the distribution of income and wealth represent a formidable challenge and remain an important constraint to growth and an important factor in addressing problems of social cohesion. With a Gini coefficient of around 0.6, South Africa is one of the world's most unequal countries – as with poverty, the pattern of inequality manifests itself in its racial, gender and regional dimensions. In addition, a new trend of intra-black inequality is manifesting itself in the post-apartheid era.

Underlying the poverty and inequality challenges is a high level of unemployment. The unemployment rate varies between 25 and 40%, depending on

[2] World Bank: World Development Report 2006, Washington, D.C., Oxford University Press 2006.

[3] Hoogeveen, Johannes G. and Berk Ozler (2005), Not Separate, Not Equal: Poverty and Inequality in Post-Apartheid South Africa, William Davidson Institute Working Paper No. 739, University of Michigan Business School.

the measure used. Unemployment is highest amongst black Africans (32%), and women (31%), and in rural areas.[4]

Coinciding with these high levels of unemployment, poverty and inequality, is an economy regarded as a model of macroeconomic stability in the region and on the continent. Economic growth has increased steadily in the last few years (in excess of 5%), inflation has been tamed to the targeted range of 3–6% and the budget deficit has been eliminated, with the government budget showing a surplus for the first time in living memory, for the past two years.[5]

The country's development strategy was initially based on the *Reconstruction and Development Programme* (RDP) developed by the now ruling party, the African National Congress, immediately prior to democracy. In essence, the government's development strategy during the past decade has comprised a combination of conventional macroeconomic policies (exemplified, for example, in the *Growth, Employment and Redistribution* – GEAR – policy) and an expansive social policy characterized by substantial investment in education, health, social security and other social services.

The absence of a significant stock of skilled labour power has been identified as a significant constraint to higher and more equitable growth. In this regard, the government has reformulated its growth and development strategy (through ASGISA – the *Accelerated Shared Growth Initiative for South Africa*, and JIPSA – J*oint Initiative for Priority Skills Acquisition*) to ensure more effective implementation of public resources to stimulate growth and employment.

It is generally accepted that South Africa is an economic giant in the region in particular, and on the continent in general. South Africa moreover drives African growth, with the country's growth rate showing an unusually strong correlation with growth in the rest of the continent. South Africa constitutes 40 percent of Sub-Saharan Africa's GDP—its nine largest cities alone account for close to 24 percent of Africa's GDP.[6] Growth spillovers to the rest of the continent are exceptionally large by international standards: an additional percentage point of South African growth is associated with 0.5 to 0.75 percent GDP growth increases in the rest of Africa (not just neighbouring countries), independent of common regional shocks.[7] This is larger than global average spillover effects.

1.1.1 Managing aid

According to the South African Treasury's database South African government institutions received a total of ZAR 33 billion in Official Development Assistance (ODA) in the 1994–2006 period. The volume however, is small compared to the South African national budget – less than 1.3% in 2006, or about 0.3% of GNP. The five biggest donors in this period have been the European Union, Germany, the UK, the USA and Denmark.[8] The UN system is generally playing a peripheral role and South Africa does not borrow from the

[4] Statistics South Africa, 2005: Labour Force Survey, September.

[5] National Treasury, Budget Review 2007, Pretoria.

[6] This has been computed as follows: South Africa is 38 percent of Sub Saharan Africa's GDP; the 9 largest South African cities are 60 percent of South Africa's GDP; and, therefore, about 24 percent of Sub Saharan Africa's GDP.

[7] Vivek Arora and Athanasios Vamvakidis, "The Implications of South African Economic Growth for the Rest of Africa", Washington, D.C., IMF 2005 (IMF Working Paper No. 05/58).

[8] The National Treasury's data on aid inflow is available from their website Development Co-operation Information System, www.dcis.gov.za. The data have been analysed in a recent study for the Treasury, M. Smith, P. Browne & N. Dube, High Level Forum on the Harmonization for Aid Effectiveness in South Africa, Final Report, April 2006 (www.dcis.gov.za/Documents/Final_Report_SA_Baseline_study.pdf). This dataset captures data recorded by the Treasury. Direct ODA-funding to civil society and other non-state actors are recorded here. The data is therefore incomplete but it does not lead to any changes in the overall findings.

World Bank or the African Development Bank.

The small size of aid inflow compared to the size of the economy, combined with the particular development challenges in the country, have significant implications for the national strategic prioritisation of ODA. For the South African government the value of ODA is realised when it is able to provide solutions and tools that enable the country to use its own resources more effectively. Development aid in South Africa is not justified when it is used as an additional source of finance, but when for the most part it is used to support new and more effective ways of implementing government policies and priorities for poverty reduction. This may include:

- *Innovation:* developing new and more effective approaches;
- *Piloting and testing:* pioneering new approaches;
- *Risk taking:* the willingness to invest in initiatives which could fail;
- *Catalytic initiatives:* unlocking domestic resources; and
- *Capacity building:* ensuring that South African institutional capacity is enhanced for sustained long term implementation.

In addition, several South African government institutions also consider aid-funding as a flexible and non-bureaucratic way of accessing external technical assistance. The institutions may have the funds available to procure such assistance through normal tendering processes but this is often considered to be both demanding and time-consuming.

South Africa's management of ODA is based on a number of principles which reflect the internationally agreed upon concepts of the Paris Declaration. The most important of these principles is Government ownership of ODA – a strong and non-negotiable priority. The issue of how to apply this in practice is more nuanced and it is acknowledged that ownership may take many forms.

However, it is recognised that South Africa's management and co-ordination of ODA is not functioning optimally, but a number of steps have been initiated to enhance donor co-ordination.

South Africa is also very active and vocal in the international debate on aid effectiveness.[9]

The International Development Coordination (IDC) directorate in the National Treasury is the key management institution for development assistance to South Africa. IDC has the responsibility for consolidating and articulating the core priority framework of ODA; the overall macro-management of ODA (including policies and procedures); it coordinates consultations and decision-making regarding ODA; and facilitates and strengthens sectoral ODA management. The IDC also works with the Department of Foreign Affairs in ensuring that ODA is dealt with in accordance with South Africa's foreign policies and the overall relations with the relevant donor.

The international financial relations division in the National Treasury in co-operation with the Department of Foreign Affairs is responsible for managing development aid from South Africa to other countries, international financial institutions and regional organisations.

[9] See the study by Smith et al. (above) and the National Treasury's Policy Framework and Procedural Guidelines for the Management of Official Development Assistance: 1st edition, October 2003 (www.dcis.gov.za/Documents/ODAGUIDELINES1stEDITION.pdf), and the IDC and EC Delegation commissioned study from January 2007, Consultancy to Review, Advice and Update the Policy framework and Operational Guidelines for the Management of Official Development Assistance, Lot 7: 2006/125408, prepared by B&S Europe and COWI A/S (available from www.dcis.gov.za/Documents/Guidelines_100107.pdf).

The aid programmes of the four donors

1.2

All four countries examined in this study – Denmark, the Netherlands, Norway and Sweden – have a long history of development co-operation with South Africa, dating back to the years of the anti-apartheid struggle with significant funding from the aid budgets being provided to the liberation struggle. For some of these countries this financial support began in the early 1960s, but it gained momentum in the 1980s with funding also being provided to civil society and NGOs inside the country. All four entered into transitional assistance agreements with the new democratic South African government elected in 1994 and in 1999–2001 this was transformed into various types of development co-operation programmes between the four donor countries and South Africa.

The following sections provide a brief summary of development co-operation between each of the four countries and South Africa, its profile and evolution.

1.2.1 Denmark

Based on a MoU with the South African government, Denmark launched a transitional aid programme, which committed Denmark to make DKK 750 million available in the four-year period from 1995 to 1998. A new MoU was signed in 1999, which provided for an extension of the programme to 2001. An additional DKK 150 million was made available for this. A regular country programme was formulated in 2001 covering the 2002–2006 period. This programme has now expired, but a number of commitments have been made which ensures that many programmes continue until 2010 and 2011. A draft policy paper for future co-operation was presented to the Treasury in June 2007.[10]

The original transitional assistance programme was focused on four broad thematic areas: democratisation and prevention of conflict; rural development; education; and black business development with additional funding provided from the then Danish Co-operation in Environment and Development (DANCED) for environmental programmes. DKK 200 million from the transitional grant was made available for Danish NGOs to work in the same areas. In the 1999–2001 extension DKK 60 of the DKK 150 million was made available for government-to-government co-operation in education and skills development, governance and environment; DKK 30 million for business-to-business development; DKK 30 million for regional projects with South Africa; and DKK 30 million to Danish NGOs active in the same areas.

In the 2002–2006 country programme an annual average of DKK 50 million was made available from the country allocation, but additional allocations in the environment (DKK 95 million) and business-to-business (DKK 8 million) programmes together with commitments through multilateral channels (DKK 22 million) increased the average annual disbursements to a much higher level – DKK 175 million. The main programmes were in skills development; governance; urban environmental management; business-to-business; and two multilateral programmes (with UNDP and UNICEF in HIV/AIDS and violence against women and children).[11]

Based on existing agreements and a number of new commitments the current

[10] Cf. Ministry of Foreign Affairs/Danida, Country Strategy for South Africa, Strategy for Danish-South African Development Co-operation, Copenhagen: 2001 (www.ambpretoria.um.dk/NR/rdonlyres/028962FF-0099-4AC9-B8C9-1ED4D63ADE59/0/011023strategiengelsk.pdf); Chris Albertyn, Assessment of the Danish-South African Country Strategy 2002-2006, Final Report, Copenhagen, Ministry of Foreign Affairs, April 2007 (unpublished); and Danish Embassy, Pretoria, Draft policy paper on the main elements in future Danish collaboration with South Africa, June 2007 (unpublished memo).

[11] The figures are derived from the Ministry of Foreign Affairs' annual reports.

programmes in urban environmental management, skills development, and the business-to-business co-operation will continue until 2011, while the governance programme will end in 2010.

Table 1.1 provides a summary overview of the Danish country programme and the current status of the programmes.

Table 1.1 Summary overview of Danish Country Programme 2002–2006

Programmes	Current Status	Volume 2002–2006	Main partners
Education and skills development	2006–2008 DKK 80 million 2008–2011 DKK 20 million	DKK 80 million 2002–2005	Department of Education and 3 provincial education departments; Department of Labour
Democracy and good governance	2006–2007 DKK 29.7 million 2008–2010 DKK 22 million	DKK 65 million 2003–2005	Department of Justice and Constitutional Development; Department of Provincial and Local Government; Special Investigative Unit; Department of Public Service and Administration; South African Police Service; Seven NGOs
Business-to-business	2007–2009 DKK 22 million 2010–2011 DKK 30 million	DKK 54 million (DKK 36 disbursed)	epartment of Trade and Industry – Centre for Small Business Promotion
Urban Environmental Management	2007–2011 DKK 220 million (including old ongoing projects in 2007 and 2008)	2002–2005 DKK 340 million (including ongoing projects prior to 2002)	Department of Environment and Tourism; Department of Health; Three provinces; Five major cities; Civil society; South African Cities Network
Gender – HIV/AIDS	2007–2011 DKK 54 million		UNDP and UNICEF

Outside the country programme Denmark also provides support to a number of regional projects and programmes which involve South African institutions (e.g., in water and in the peace and security areas).

1.2.2 Netherlands

The Netherlands began its development assistance co-operation with a transitional programme in 1995. In 1999 South Africa was selected as one of Netherlands three temporary partner countries and a five-year development co-operation programme was launched in 2000. A total of about ZAR 670 million was committed (NLG 100 million).[12] The intention to phase out development co-operation was not implemented and the programme was replaced by a four year-strategic multi-annual plan with an indicative annual allocation of €30 million (compared to an average of €20 million in the previous period). In 2007 the expected disbursement will be around €55-60 million, but this figure also includes a regional portfolio, particularly in HIV/AIDS (the responsibility for regional programmes has been transferred from the Embassy in Harare to

[12] See A. Hercules & P. O'Keefe, Joint Review of Dutch-South African Development Co-operation, 2000–2004, South African Department of Treasury & Royal Netherlands Embassy, Sonke Consulting & ETC International August 2003 (available from the Treasury website, www.dcis.gov.za/Documents/JointReview-RNE-Treasury-FinalReport-August2003i1.pdf. Supplementary information on the evolution of Dutch development co-operation with South Africa was supplied by the Embassy in Pretoria.

Pretoria). A new multi-annual plan for the next four-period will be prepared in late 2007. Changes in Dutch policies introduced in late 2007 may lead to reduced Dutch aid to South Africa (see next chapter).

The original transitional programme supported a range of projects within several areas such as the RDP Fund, democratisation, education, youth, rural development and culture. The 2000–2004 country programme was concentrated on four sectors: youth, justice, education and local government. With the extension of the programme a further concentration was secured and the current aid programme has two main components: education and HIV/AIDS.

Outside these two main programmes there is a strong emphasis on culture. South Africa is one of 13 countries benefiting from the Dutch Programme for International Cultural Policy (non-ODA funds). Netherlands also has a special Programme for Common Cultural Heritage (also with non-ODA funds) and a special aid-funded Programme for Culture and Development managed by the Embassy.

Following the new Dutch emphasis on integration between development co-operation and foreign policy, ODA funds are also managed through the Embassy's political co-operation division (mainly smaller funds for regional projects in the governance and peace and security area), and the economic co-operation division (economic climate), but it is co-ordinated by the Head of the aid section (socio-economic co-operation).

Some bigger aid-funded programmes are managed and implemented directly from the Netherlands such as the civil society support channelled through Dutch NGOs. Of particular importance for this study is the South Africa-Netherlands Research Programme on Alternatives in Development (SANPAD). With the completion of the current phase of SANPAD, the Embassy may take over the management of this programme from mid-2008 and for a new phase from 2008 to 2013.

Table 1.2 summarises the current Dutch aid programme in South Africa.

Table 1.2 Summary overview of the current Dutch aid programme in South Africa

Programme	Status and volume	Main partners
Education	2005-2011 €94 million (indicative) (2007: €23 million)	Department of Education; 2 provincial education departments; Centre for Education and Policy Development; University of Pretoria; University of Cape Town; Human Sciences Research Council; SA Institute for Distance Education; Media in Education Trust; Open Learning Systems Education Trust; Education Policy Consortium; JET Education Services
HIV/AIDS bilateral	2007 €12 million	2 provincial education departments; Several NGOs
HIV/AIDS regional	2007 €12 million	Several NGOs (including South African and South-Africa based); SADC HIV/AIDS Unit
Culture	2007 €1 million	Embassy-managed local grant facility
Governance, peace and security	2007 €1 million	South African NGOs; Trilateral co-operation
Economic climate	2007 €1 million	Independent Development Trust; University of the Witwatersrand
Others	2007 €5–10 million	Mainly trilateral co-operation in the Great Lakes Region

Additional allocations include SANPAD, support through Dutch NGOs and others.

1.2.3 Norway

In 1994 an MoU between Norway and South Africa was signed, committing Norway to establish a South Africa transitional assistance fund totalling NOK 100 million per year for the five-year period 1995–1999. In 1999 a new co-operation agreement covering the 2000–2004 period committed Norway to provide NOK 80 million per year. In the current 2005–2009 co-operation period the annual Norwegian allocation is further reduced to NOK 50 million. Additional Norwegian aid funds have however, been made available from various global and special schemes (such as commercial, cultural, NGO, Fredskorpset, etc) as well as for regional projects. Disbursements through such facilities can be substantial.[13]

The initial objective of co-operation was to assist in the consolidation of the new democracy. The second co-operation period identified the objectives to be continued support to the transition and poverty reduction, but also added two additional objectives: strengthening of regional components in the bilateral co-operation, and prioritisation of areas of common interest to ensure a lasting impact of the collaboration. The current agreement further developed the 1999 objectives and listed three operational objectives: co-operation in areas where the collaboration could result in long term, self-sustaining relations; consolidation of the democratic transition; and strengthening regional integration and collaboration through the utilisation of South African expertise in the region.

The sectors prioritised under the development co-operation have changed over the period. In the first years a variety of activities in a range of sectors were supported. From the late 1990s a number of major and more focused programmes with the government came on stream. Energy, environment and fisheries, local government, education, housing and culture were the main sectors. Initially there was also an effort to concentrate assistance to the Mpumalanga province as well as a large programme with the Department of Trade and Industry on small business development but Norway has phased out its support to these programmes. A further concentration has since taken place and in the current government-to-government programme assistance is focused on three main programmes; energy; environment and fisheries; higher education and research co-operation, together with a smaller programme (outside the country programme) in culture. The Embassy also has a human rights programme and supports projects in the peace and security area but these interventions are all with NGOs.

In addition to the government-to-government programmes and the Embassy-supported NGO projects other channels for delivering Norwegian aid are also employed. This includes Norwegian and international NGOs and the private sector with only minor funding going though multilateral agencies.

[13] See more on this in P. Pillay & E. N. Tjønneland, From Aid to Partnership. A Joint Review of Norwegian – South African Development Co-operation 1995–2001, Bergen: CMI 2003 (available from www.cmi.no/publications/publication/?766=norwegian-south-african-development-co-operation and from the Treasury website www.dcis.gov.za/Documents/Final_Report_November_2002.doc). The current agreement and guidelines for the 2005–2009 co-operation are available from the Treasury website (www.dcis.gov.za/Documents/NorwaySA_Guidelines_Short_Version_23032004.doc) and from the Norwegian Embassy website (www.norway.org.za/development).

Table 1.3 Summary overview of Norway's aid programme 2005–2009

Programmes	Status and volume	Main partner
Energy	2006–2008 NOK 30 million	Department of Minerals and Energy
Environment and fisheries	2005–2010 NOK 40 million (environment) NOK 40 million (fisheries)	Department of Environmental Affairs and Tourism
Higher education & Research	2006–2010 NOK 60 million (higher education) NOK 42 million (research)	Department of Education; Department of Science and Technology; National Research Foundation
Culture	2005 – 2007 NOK 6.25 million	National Arts Council
Human Rights	2005–2009 NOK 65 million	Norwegian Centre for Human Rights and a variety of research-based NGOs and civil society organisations in South Africa

The culture programme listed in Table 2.3 is outside the country programme and funded from a global Norwegian aid facility for support to culture. There are also a number of other programmes and projects in South Africa funded outside the country frame and with funds from the Africa regional budget line or various other global facilities in the Norwegian aid budget. There is also a (partly) ODA-funded business-to-business programme implemented through Innovation Norway's South Africa office.

Significantly, the Embassy manages a number of regional projects (involving two or more countries). In 2006 the Embassy disbursed NOK 76 million to 22 regional projects compared to NOK 45 million to South African activities. In virtually all of these regional projects there are South African partners, but for many of the projects the contract partner is based outside South Africa.

1.2.4 Sweden

Sweden signed a development agreement with South Africa in early 1995, which committed Sweden to provide transitional aid to South Africa in a five-year period. A new five-year regular development programme was entered into in 1999. About SEK 1.3 billion was disbursed in the period, but the annual disbursements were gradually reduced in the period from a high of over SEK 330 million in 1999 to less than SEK 180 million at the end of the period. A new country support programme covering the July 2004 - December 2008 period was approved in June 2004. The country allocation to South Africa was expected to be further reduced in the programme period, beginning with SEK 140 million in 2004, and with all government-to-government grants coming to an end by the end of the period.[14]

In addition to these country allocations there were also substantial allocations through Swedish NGOs and involvement of South Africa in a range of Swedish-funded regional projects.

Five areas were identified in the 1995–1999 transitional period: Democracy and human rights; public administration; education; culture and media; and urban development. Swedish support to poverty reduction and democratic consolidations was concentrated here. This was continued in the 1999–2003 country programme with a focus on democratic governance, education, urban development and planning, culture, economic co-operation, and research and university co-operation with HIV/AIDS, gender, children's

[14] Information on the Swedish aid programme can be found on the Embassy website, www.swedenabroad.com/Start____25632.aspx. The 2004–2008 strategy paper (Country strategy for development co-operation South Africa, July 2004– December 2008) can also be found at the Treasury website www.dcis.gov.za/Documents/CSP2004–2008.doc.

rights and environment as crosscutting issues. In addition, this country programme introduced the concept of "broader co-operation" as one of the objectives in addition to the overall objective of supporting poverty reduction.

The current 2004–2008 country support programme identifies seven areas. These include democratic governance, urban development, education, research, culture, economic co-operation and private sector development and two new areas – HIV/AIDS and the labour market. In addition, the country programme prescribes the phasing out of all programmes, except HIV/AIDS, in the programme period and that future co-operation shall be based on an expanded broadened co-operation.

Table 1.4 Summary overview of the Swedish aid programme 2004–2008

Programme	***Status and volume*** **2006: SEK 140 million 2007: SEK 100 million 2008: SEK 60 million Contributions reduced from 55 to 40 in 2006**	**Main partners**
Democratic governance	2004–2009 (Closing of projects from 2005)	Department of Safety and Security; South African Police Service; South African Revenue Service; Northern Cape Provincial Government; Eastern Cape Provincial Government; Southern African Local Government Association
Legal Sector	2004–2007	Department of Justice and Constitutional Development; NGOs and legal aid institutions
Education	2004–2008	Department of Education; Education Policy Consortium; Eastern Cape Department of Education
Culture	2004–2009	Department of Arts and Culture
Health	2004–2007	Joint Swedish – South African Forum
Research	2004-no final date	Department of Science and Technology; National Research Foundation
Urban Development and Housing	2004–2008 (closing from 2006)	Nelson Mandela Bay Metropolitan Municipality; Buffalo City Municipality; Urban sector network; North-South Municipality Programme
Private Sector Development and Economic Co-operation	2004–2008 (closing from 2006)	Micro Finance Regulatory Council; Micro Enterprise Alliance; Small Enterprise Foundation; Swedish-South Africa Partnership Fund; Department of Trade and Industry; and others
HIV/AIDS and gender-based violence	2004–2009	12 projects, mainly NGOs

Funding outside this country framework includes funding to civil society through Swedish NGOs, which amounted to SEK 29 million in 2005. This made South Africa the single biggest recipient of such civil society funding through Swedish NGOs. The Embassy also manages some regional projects with South African-based contract partners (amounting to some SEK 25 million in 2007).

Conclusion

1.3

This overview of the evolving profile and volume of the aid from the four countries to South Africa reveal several important trends relevant for the discussion of aid transformation in subsequent chapters. A first observation is that there are divergent trends in the volume of aid provided to South Africa from the four countries. Norway and Sweden have since 2000 reduced development aid to South Africa through their country programmes with Sweden expecting to end its grants-based assistance to the South African government at the end of the period. Denmark has maintained a high volume and is only now beginning to scale down. The Netherlands, on the other hand, has increased its aid contribution in the current programme period beginning in 2005.

Secondly, there are strong continuities among all four donors in the support to the sectors, but with a general trend towards concentration in some and phasing out of others. This is most evident in the Netherlands support which is now mainly concentrated in two areas – education and HIV/AIDS. There has also been an increasing emphasis on support to implementation and delivery in many of the programmes, as well as support to provinces and local government. A partial exception is Norway, which has maintained a strong focus on national departments in its aid programmes and has phased out of much of the previous support to provinces and local government.

A third observation is that two countries – Norway and Sweden – have identified broader co-operation or institutional co-operation between the two countries as a key objective in their country support programmes. This was done already in 1999. In the Norwegian case this objective has also been an important criterion in selecting areas for co-operation. Denmark has not emphasised this in its strategy, but there is a strong component related to business-to-business partnerships in its programme. The Netherlands has no such components in its country support programme, but has aid-funded mechanisms to facilitate such co-operation outside the programme (especially in research).

Profile of bilateral aid

- Aid Volume: Norway and Sweden reduced aid from 2000, Denmark reduces from 2007 and the Netherlands expanded its financial support
- All donors concentrate on fewer sectors
- Stronger emphasis on decentralisation, implementation and delivery. Institutional co-operation introduced in Norwegian and Swedish programmes in 1999
- More attention to South Africa's role in Africa and regional programmes (main objective in Norwegian country programme from 1999)

Fourthly, all four countries emphasise regional dimensions and South Africa's role in Africa. In the Norwegian case, regional engagement was listed as one of three main objectives already in 1999 and an effort has been made to include regional components in most programmes with the South African government.

Chapter 2

Management of aid transformation

Denmark, Netherlands, Norway and Sweden display varying trends in their focus and volume of ODA provided to South Africa. They are however, all grappling with the issue of transforming their aid programmes. There are differences in approaches and strategies but four questions are central to all four donors when preparing for a new phase of development co-operation with South Africa.

Firstly, is there a future role for aid to a middle income country like South Africa which has strong financial resources of its own and where aid in quantitative terms is insignificant?

Secondly, how should aid programmes with South Africa be phased out? How can sustainability be ensured?

Thirdly how should donor agencies work with South Africa – a major regional power in the sub region and on the continent – in regional co-operation and in third countries?

Aid transformation in South Africa

- What is the role of aid to a middle income country?
- How can aid programmes be phased out?
- How to work with South Africa in Africa?
- How to strengthen bilateral co-operation?

Fourthly, how can co-operation be broadened and partnerships developed between public and private institutions in the donor country and South Africa?

This chapter will review and analyse how these four donor countries are responding to these transformation challenges. The chapter provides a more in-depth analysis of the Swedish transformation. Sweden was until recently the only country to have decided to end its grants-based assistance to the South African government and is managing a transition to a new type of co-operation. The Netherlands decided in 1999 to make South Africa a temporary partner country, but this did not lead to phasing out of development assistance. Later the volume of Dutch aid to South Africa was expanded. But first the context will be reviewed: what are the emerging trends among the other donor countries and what are South Africa's responses and positions on aid transformation?

Aid transformation and South Africa

2.1

Several (but not all) donor countries are now reducing the volume of aid to South Africa in the light of South Africa's middle income status, strong macro economic base and its considerable financial resources. Continued aid is justified by focusing on the "value-added" – i.e., what development co-operation can contribute to through contribution to innovation; development of best practices; pilot initiatives; risk-taking; capacity building and skills and knowledge development.

South Africa's biggest donor, the European Union, has prepared a joint country strategy paper with South Africa for the 2007–2013 period. This strategy paper together with the indicative budget indicates that the EU will provide ODA to South Africa at the same level as in the previous period (€980 million is envisaged).[15] USAID is reducing its aid to South Africa but additional funds are being made available from special purpose facilities (primarily HIV/AIDS) which will ensure that USA will remain a major donor country.

Another notable trend – although statistics are not available – is that many donor agencies are increasing – for some very significantly – allocations to regional projects involving South Africa. The EU strategy indicates that up to 10% of the grant can be used for regional and pan-African projects. Some have incorporated and subsumed their South Africa programme into a bigger regional programme. In 2005 the Swiss Agency for Development and Co-operation (SDC) ended its 10-year South Africa programme and replaced this with a 5-year, ZAR 250 million regional programme. This included a South Africa component which was gradually reduced in the period while a number of new regional projects with South African partners were launched.[16] In 2006 DFID launched a new regional programme for Southern Africa, turned its South Africa office into a regional office and incorporated a reduced bilateral programme with South Africa into this.[17]

There is a general acceptance and understanding of the need for aid transformation by both the National Treasury and Department of Foreign Affairs on the one hand, and the line departments (as recipients of donor aid) on the other. In this regard, it is evident that the South African government wishes to emphasize that South Africa should be regarded as a 'partner' country rather than an 'aid recipient' country.

What the South African government would like to see in light of the scaling down of aid, is joint management of the transformed relationship rather than a one-sided, donor-driven, prescriptive relationship. Moreover, the government view is that development co-operation needs to transform in such a way that there is convergence between donor country and South African priorities.

The South African government also makes the point that a key consideration in aid transformation should be about how bilateral relationships can be made sustainable in the long run, particularly with respect to providing the country with the opportunities to continue calling on technical expertise from the north, as well as developing tri-partite relationships in the rest of the region and the continent.

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[15] See the Co-operation between the European Union and South Africa. Joint Country Strategy Paper 2007–2013 and the Multiannual Indicative Programme 2007–2013. The documents are available from www.eusa.org.za/en/development/MIPCSP20072013.htm.

[16] See more on the SDC South Africa website, www.sdc.org.za. Their Regional Co-operation Strategy Southern Africa 2005–2010 is available from http://162.23.39.120/dezaweb/ressources/resource_en_157241.pdf.

[17] See DFID, Southern Africa Regional Plan, London, DFID 2006 (available from www.dfid.gov.uk/pubs/files/southern-africa-regional-plan.pdf.)

In summary, the South African government accepts the logic behind aid transformation in the light of its middle income status. However, it pleads that this process be undertaken in such a way that alternative, mutually-beneficial relations can be developed as well as tri-partite relationships that can address important challenges in the region and on the continent.

2.2 Denmark

"Transformation" for Denmark essentially implies a major reduction in direct bilateral assistance to South Africa combined with a strong emphasis on continued support for regional activities. The current Danish development co-operation programme with South Africa expired at the end of 2006. A number of new commitments have already been made which provide for a continuation of programmes for several years. A new Danish policy for future development collaboration was developed during early 2007 and a draft policy paper was presented to Treasury in June. The proposed new policy contains no major changes in the aid strategy beyond a major reduction in the volume – from an annual average of DKK 175 million to DKK 55 million. Of this amount some DKK 30 million will be for projects and activities with a regional profile.

This will be the basis for coming consultations with South Africa and finalisation of the new Danish policy. The draft policy paper calls for a reduction in Danish development aid and a sharpening of the focus, including an end to certain programmes.[18] The paper is based on three observations. First, it is recognized that South Africa is a major economic and political actor in Africa. Second, expanding Danish business interests in South Africa are noted, and thirdly, the paper acknowledges the huge development challenges that South Africa still faces. This leads to suggestions that Denmark should focus future collaboration in three areas:

- Support for the strengthening of South Africa's regional engagement;
- Support to advancement of the participation of the previously disadvantaged population in business, and advancing Danish-South African business collaboration;
- Support to the fight against violence towards women and children.

The expected financial framework for future co-operation is estimated to be about DKK 25 per year for "traditional" aid. New activities with a regional perspective will amount to DKK 30 million per year. Commitments totalling DKK 365 million have already been made running until 2011. Disbursements from these commitments will fall from around DKK 130 million in 2007, to DKK 20 million with cessation in 2012. New commitments will be phased in from 2008. The expected annual average disbursements in the 2007-2011 period will be DKK 96.2 million.

The skills development programme with the Department of Education will come to an end in 2009. During 2008 it is expected that new activities linked to the ASGISA and JIPSA initiatives will be formulated. The initiatives will be linked to the business-to-business programme (see more on this in the education section in the next chapter). Under the business-to-business programme it is also expected that there will a stronger focus on environment and energy. Possible future new commitments under the urban environment programme may also fall under the business-to-business programme. A strong emphasis

[18] See the Danish Embassy, Pretoria, Draft policy paper on the main elements in future Danish collaboration with South Africa, June 2007 (unpublished memo). This is based on a document in Danish finalised in March 2007 (Policy papir for det fremtidige udviklingssamarbejde med Sydafrika). An updated Concept Note on Denmark's Co-operation with South Africa was prepared by the Danish Embassy in December 2007.

on the impacts of climate change and clean development mechanisms (CDM) is expected, including efforts to assist Danish industries entering the South African CDM market.

Current support to women and children who have been victims of violence will proceed until 2009. Possible further support to HIV/AIDS related activities after 2008 will be programmed within the broader concept of reproductive health and sexual rights.

The bulk of the Democracy and Good Governance, programme will be phased out, but with reduced support retained for the fight against anti-corruption with a view to improving the business climate.

Table 3.1 illustrates a possible scenario for support to future activities in South Africa, which may decrease the annual allocation to DKK 25 million by 2012.

Table 2.1 Planned Danish disbursements from existing and new commitments (2007–2011)

Programme areas	2007	2008	2009	2010	2011	2007-2011
Old commitments	133	95	77	40	20	365
New skills development		5	10	10	5	20
Governance		10	7	5	0	22
Gender-HIV/AIDS				7	7	14
Business-to-business				14	16	30
Local grant authority		5	5	5	5	20
Total	**133**	**115**	**99**	**81**	**53**	**481**

In contrast to the three other countries, there are no formal and institutionalized mechanisms for political dialogue and consultation between Denmark and South Africa (apart from the Nordic Annual Consultations that only deals with development assistance). The Embassy is currently exploring the feasibility of establishing such mechanisms.

2.3 Netherlands

There is no current effort to change development assistance from the Netherlands to South Africa. In 1999 South Africa was classified as a "temporary partner country" in Netherlands development assistance policy. The Dutch transitional programme, introduced in 1995 was replaced by a five-year temporary country programme for the 2000–2004 period. The decision was reversed and the temporary programme was replaced by a four year multi-annual plan for the 2005–2008 period. This even provided for a significant increase in the aid volume to South Africa (see the previous chapter). There was however, a fairly intense discussion in the Netherlands in the 2000–2002 period on the role of Dutch aid to South Africa with some arguing that South Africa should not be prioritised while others called for a continuation of development aid to the country. The outcome was a decision in 2002 to continue with aid – and even expand the volume – after the expiry of the 2000–2004 country programme.[19]

There are important shifts within individual aid programmes reflecting changing priorities on both sides. Most significantly, the Netherlands decided to phase out its aid programmes within youth, justice and local government and only focus on two sectors in the new 2005–2008 multi-annual plan. The two sectors were education (a continuation from the previous country programme) and HIV/AIDS (previously a crosscutting theme). (See also the discussion of the education sector in the next chapter.)

[19] Information about the Dutch debate is provided by Anneke Slob, ECORYS.

The changing Dutch priorities in the 1999–2004 period – initially planning to end development co-operation, then restarting it and then redirecting and concentrating – was particularly challenging. Internal Embassy memoranda showed efforts to address sustainability issues. The main focus appears to have been to ensure that the Dutch aid interventions could be embedded in some kind of institutional environment. This might involve efforts to ensure that the relevant South African government departments take responsibility. Other donors and Dutch professional partner institutions were also considered to play an important role in this process. These issues were also addressed at the design phase of the four main aid programmes introduced from 1999. The phasing out basically followed the normal procedures as specified in the contracts. In a few instances activities supported were extended or incorporated into new programmes (mainly HIV/AIDS). The joint mid-term review from mid-2003 concluded that the Embassy had a strong focus on the target groups and the involvement of stakeholders in this process, but also that attention to monitoring and evaluation in general was weak.[20]

The Netherlands also strongly emphasises the role of South Africa in Africa. In programmes managed by the Embassy in Pretoria there is a strong involvement of South African non-state institutions in their regional HIV/AIDS programme in addition to peace and security related projects. In November 2007 the Netherlands was also invited to be the lead agency in the new thematic group on politics, defence and security to be established between the SADC secretariat and foreign donor agencies active in this area.

The Netherlands strongly emphasises strengthening of bilateral co-operation as an objective in its "integrated foreign policy". However, the Dutch have generally refrained from focusing on institutional co-operation in their two main aid programmes (education and HIV/AIDS). Various mechanisms are in place for political consultations and co-operation between the two countries. A main mechanism for South Africa is the annual consultation between the Directors-General in the Department of Foreign Affairs in the two countries.

The current four-year plan expires at the end of 2008, but there were no preparations at the Embassy for phasing out or scaling down the aid programmes when data were collected for this study. However, in October 2007 the Dutch government presented a new aid policy, which introduced a new categorisation of partner countries.[21] South Africa is classified as belonging to a group of countries qualifying for a broad-based relationship. These are countries in the middle-income category and where fragility is not a dominant problem. Development co-operation will still be a part of the Dutch policy but no longer at the core in relation to these countries. The implication of these changes for Dutch aid policy in South Africa is not known at the time of writing, but it may imply a reduction in the volume of aid with more emphasis on measures to broaden co-operation. In the Embassy's proposal for a new 2008–2011 multi-annual strategic plan, not yet officially approved, the South African government is considered an important partner and recipient of Dutch ODA funds.

[20] See A. Hercules & P. O'Keefe, Joint Review of Dutch-South African Development Co-operation, 2000–2004, South African Department of Treasury & Royal Netherlands Embassy, Sonke Consulting & ETC International August 2003 (available from the Treasury website, www.dcis.gov.za/Documents/JointReview-RNE-Treasury-FinalReport-August2003i1.pdf.)

[21] See Our Common Concern. Investing in development in a changing world. Policy Letter to the House of Representatives, 16 October 2007 (available from www.minbuza.nl/binaries/en-pdf/our-common-concern-150108.pdf).

Norway

2.4

The current aid programme with South Africa expires in 2009. The intention is to end all aid programmes in the country programme when the programmes expire in 2009 and 2010, but to allow continuation of some aid-funded activities, which are considered important.

The issue of ending development aid to South Africa in light of South Africa's middle income status was also discussed in Norway in 2002–2003, but it never became a major issue. The co-operation was therefore continued in a new 2005–2009 programme, but with a lower volume.

In mid-2006 the Embassy began internal preparations for the future development co-operation. In early 2007 a draft *Transformation Strategy for Bilateral Development Co-operation with South Africa* was submitted to the Ministry of Foreign Affairs and discussed with various stakeholders at a workshop in Oslo in March 2007.[22]

The proposed strategy essentially calls for an end to all of the existing programmes with the South African government (energy, environment and fisheries, higher education and research as well as the Embassy's human rights programme) by 2009 and 2010 when the current aid programmes expires. It proposes an increase in support for working with South Africa in regional activities, including trilateral co-operation as well as support for a broadening of co-operation between the two countries. Energy and the environment are identified as key areas for future co-operation. The proposed strategy also presents a detailed time plan for its implementation beginning in May 2007 with consultations with South Africa and South African stakeholders, and a mapping and identification of Norwegian instruments available to fund broader co-operation (primarily various global facilities in the aid budget).

In May 2007 Norway had a meeting with the Treasury, informed them about evolving Norwegian positions and emphasised the importance of a dialogue with South Africa.

Meanwhile a number of other developments are occurring which may impact on the future development co-operation between Norway and South Africa. The Government's budget proposal for 2008 presented to the Norwegian Parliament in October 2007 made it clear that Norway seeks to transform its development co-operation relations with South Africa. Future aid-funded relations will focus on working with South Africa in Africa and on providing technical assistance where Norway has skills and knowledge, which is in demand by South Africa.[23] In August 2007 the Norwegian Minister of Foreign Affairs presented a new platform for a comprehensive Norwegian policy towards Africa.[24] In this platform South Africa is identified as a strategic partner in relation to peacebuilding and development in Africa.

There has also been a development in the energy sector, which may have implications for future development co-operation. This is a priority area in Norwegian development assistance. Norway has been selected as the lead donor in SADC's energy sector and is scaling up its regional activities in this sector. Recent meetings between the Norwegian Minister of International De-

[22] The document – "Omstillingsstrategi for det bilaterale utviklingssamarbeidet med Sør-Afrika" (10 pages, Pretoria 6 March 2007) – is in Norwegian and not published but widely distributed among Norwegian stakeholders. The proceedings from the workshop 20 March 2007 – Omstillingsstrategi for utviklingssamarbeidet Norge Sør-Afrika - are available in Norwegian.

[23] See the 2008 Government budget proposal for the Ministry of Foreign Affairs presented to Parliament on 7 October 2007 (available – in Norwegian only – from www.regjeringen.no/pages/2014011/PDFS/STP200720080001_UDDDDPDFS.pdf).

[24] See the Ministry of Foreign Affairs, Plattform for en helhetlig Afrika-politikk, Oslo: Ministry of Foreign Affairs 2007 (www.regjeringen.no/upload/UD/Vedlegg/afrikastrategi.pdf). (The document will be translated into English.)

velopment and the South African Minister for Minerals and Energy have also led to commitments to continued co-operation in this area.[25] Climate change has also been identified as a key area for future co-operation.

Outside the aid programme Norway has entered into a flexible mechanism for political consultations. The Ministers of Foreign Affairs from the two countries are expected to meet annually in connection with meetings at the UN. The Director-General in the SA Department of Foreign Affairs and his counterpart in Norway are also expected to meet annually (or they may meet at the level of Deputy Director-General). In addition, Norway and South Africa have six letters of intent providing a framework for bilateral co-operation and dialogue within education, research, environment, culture, and fisheries as well as co-operation in the Antarctic. [26]

2.5 Sweden

In 2004 the Swedish government approved a new country support strategy for its co-operation with South Africa.[27] This provided for a phasing out and ending of development assistance in the 2004–2008 period with the exception of HIV/AIDS and regional/trilateral projects. The direct bilateral government–to-government ODA would be replaced by broader co-operation and partnerships between institutions in the two countries. Aid programmes would only be allowed to be extended or new ones started if they, according to the strategy document, were jointly funded by the two countries.

The decision to bring government-to-government development assistance to an end was not intended to end the development co-operation with South Africa. Because of South Africa's own financial resources and middle income status, Sweden concluded that official development assistance to the South African government should no longer be the vehicle for development co-operation with South Africa. Broader co-operation between the two countries should instead be the framework for supporting South Africa's development policies. In addition, Sweden emphasised its wish to work more closely with South Africa in support of regional development and development in third countries and to make development aid available for this.

This process was to some extent initiated ten years ago when Swedish documents first began to speak of the three phases in development co-operation – from humanitarian assistance and support to the anti-apartheid struggle via a transitional period of development aid to broader co-operation. The 1999–2003 country support programme introduced broader co-operation as an objective alongside support to poverty reduction. At the end of this period it was felt that a sufficient basis had been established for moving forward with "broad co-operation"; institutional partnerships had been established through the aid programme, there were excellent political relations and dialogue between the two countries, and commercial relations were strong.

Furthermore, in 2002 the Swedish Government in a White Paper on *Shared Responsibility: Sweden's Policy for Global Development* emphasised the need to involve a broader section of the Swedish society in all development co-opera-

[25] See the report on the Norwegian Minister for International Development's visit to South Africa in April 2007 on the Embassy website, www.norway.org.za/development/News/Solheim+out.htm.

[26] The agreements and mechanisms are presented on the Norwegian embassy website www.norway.org.za.

[27] The Swedish country support strategy was developed in 2003, but the final approval by the Swedish government was only made in June 2004 which implied that the strategy only took effect from July 2004. The 2004–2008 strategy paper (Country strategy for development co-operation South Africa, July 2004–December 2008) can be found at the Treasury website www.dcis.gov.za/Documents/CSP2004–2008.doc and from the Embassy website, www.swedenabroad.com/Start____25632.aspx.

tion.[28] The Policy for Global Development approved by the Swedish Parliament in December 2003, states, *inter alia*, that it is the responsibility of all Swedish government institutions to contribute to reduction of poverty in their international co-operation. This also helped facilitate a focus on broadening of co-operation in an aid programme that emphasised poverty reduction as the overall objective.

Implementation

2.6

A Mid-term Review of the Swedish country strategy was carried out in mid-2006.[29] It concluded that there is a shared vision between the two countries about the objective of future co-operation. Future co-operation should serve as an instrument to reduce poverty and strengthen democracy in South Africa. Furthermore, given existing capacity and skills constraints the focus for such co-operation should continue to lie on institutional capacity building in key areas according to national priorities. Adding value to national efforts should be a guiding principle for the co-operation. The Review also noted that the mutuality aspect is more strongly emphasised on the Swedish side.

The Mid-term Review also made a number of additional observations and findings:

- there is insufficient understanding of broader co-operation and the concept is not sufficiently rooted among the two countries' main stakeholders;
- time is a limited resource in the current transformation with a rapidly shrinking timeframe;
- the human resource allocation to manage this transformation may not be sufficient;
- there is a need to further clarify Swedish instruments available to facilitate and fund broader co-operation; and
- there is a substantial delay in implementation of the country strategy.

In the following sections the team looks more in-depth at the Swedish aid transformation process.

2.6.1 Phasing out traditional development co-operation

Sweden's approach to phasing out the aid programmes has essentially been to ensure that activities are completed in accordance with the agreed business plans which all expire during the country programme period. The Embassy has allowed extensions and amendments if required but generally without additional funding. The main focus for the Embassy has been to facilitate and strengthen partnerships between institutions in the two countries where that are considered feasible.[30]

There have been delays – in mid-2007 estimated at about 12 months in relation to the country strategy – in phasing out projects. This has been

[28] See more on the Swedish policy at www.Sida.se/Sida/jsp/Sida.jsp?d=258&a=3808&language=en_US.

[29] See Chris Albertyn & Anna Collins-Falk, Mid-term Review of the Swedish Country Strategy for Development Co-operation with South Africa, Final Report June 18, 2006 (available from www.swedenabroad.com/SelectImageX/26927/MTRSA.pdf). The review was commissioned by the Swedish Embassy and the National Treasury in South Africa. The Embassy's response – Mid-term Review of the Implementation of the Country Strategy for the Development Co-operation with South Africa 2004–2008. Response from the Embassy of Sweden in Pretoria – is available from www.swedenabroad.com/SelectImageX/26927/Embassy_response_MTR_SA.pdf.

[30] See also the unpublished 2006 annual report Sida country report 2006: South Africa and the September 2007 update on the status of the programme, Swedish-South Africa Co-operation Programme 2007 (available from the Embassy website, www.swedenabroad.com/SelectImageX/26927/Projectlist3_2007.pdf).

caused by slow implementation capacity, extensions of on-going projects and also by insufficient focus on phasing out in the programming, but also by the delayed start-up caused by Stockholm's late approval of the country support strategy. One challenge in several projects has been high turn-over in key staff positions at South African partners. The Embassy expects that all aid-funded programmes and projects scheduled to end will be closed by mid-2009 or management transferred from the Embassy to Stockholm.

One new programme was launched during the period. The Swedish South Africa Business Partnership Fund was closed in 2006 and the remaining funds, SEK 40 million, were allocated in 2007 to a new three-year private sector initiative to be implemented by the South African Department of Trade and Industry and the Swedish Trade Council in Pretoria. This programme seeks alignment with South Africa's ASGISA and JIPSA initiatives and promotes a skills transfer and placement programme in Swedish companies active in South Africa. The new programme is considered to be seed money in facilitating broader economic co-operation.

Swedish support to projects in the HIV/AIDS area will continue and be intensified. Funding after the expiry of the country allocation from South Africa will be drawn from the regional allocation and managed by the HIV/AIDS team in Lusaka (but a programme officer will be based at the Embassy in South Africa). Currently, all programme partners are non-state actors with a focus on advocacy work.

Generally, the phasing out of external financial resources appears not to have been a major problem in relation to government institutions. South Africa has the required financial resources to carry on. Lack of capacity and human resources on the South African side, in part also due to high-turnover of key staff, is putting constraints on the ability to manage the transition and to ensure that South Africa assumes responsibility once the donor leaves the project.

The situation is different in relation to civil society organisations. They are much more dependent on access to external financial resources. Various "market distortions" have also been reported with South African NGOs attempting to shift their activities to potentially benefit from access to future Swedish funding through HIV/AIDS programmes. The significant Swedish support channelled through Swedish NGOs will not be directly affected by the decision to phase out government-to-government assistance, although there is some fear that Swedish NGOs may move to other countries receiving Swedish ODA.[31]

The three programme areas selected for case studies – regional co-operation and policing, culture and education (see ch. 3) illustrate focus, the achievements and challenges in managing phase out. The Swedish police programme, according to reviews and the police agencies in the two countries, has been successful in fulfilling stated goals and objectives. The phasing out process is a good example of a 'natural phase out' – i.e. following the agreed plan for the programme period and with objectives met. Both police agencies now sees co-operation in third countries as the best of continuing the co-operation.

The aid interventions in education cover several different programmes. The main Embassy-managed programme at the national level is focusing on support to the development of South Africa's policy on inclusive education. There has been much delay due to slow implementation capacity on the South African side, and the project was expected to end in late 2007. The Embassy assessments, as expressed in interviews with the team, is that there is sufficient ownership and commitment by South African authorities to ensure the further evolution and implementation of the policies and ap-

[31] One Swedish NGO (Diakonia) has already closed its office in South Africa and now manages its South Africa operations from Nairobi. Links to all the major Swedish NGOs and their South Africa operations can be found at the Swedish Embassy website, www.swedenabroad.com/Page___62979.aspx.

proaches to inclusive education developed with Swedish financial and technical assistance. If required, South Africa has sufficient resources to pay for technical assistance. At the time of data collection no efforts had, however, been made to ensure sustainability beyond ensuring ownership and political commitment.

The programme in culture is slightly different in the sense that is new programme and not really a case of phasing out, but rather a new aid-funded broad co-operation. The culture programme is a co-funded project, which has struggled with the management and organisational set-up, but major efforts are being made to ensure that it delivers and that it can continue after the end of current country support programme. This includes reorganising the implementing unit on the South African side (see Ch. 3).

A notable feature of these programmes, and most other Swedish aid interventions, is the strong component of co-operation between Swedish and South African government institutions and other public agencies. For some aid interventions, such as policing, the programme has been build around co-operation between institutions in the two countries. This has implied that efforts to ensure the sustainability of such co-operation, especially through identifying funding sources for future collaboration, have been very prominent in managing phasing out and closing programmes. This brings us to the overlapping process of phasing in broad co-operation.

2.6.2 Establishing broad co-operation

Phasing out traditional government-to-government assistance was one component in the 2004–2008 country support strategy. The other component – specified as "the main trust of development co-operation during the forthcoming strategy period" – was to pave the way for direct institutional, co-financed partnerships from 2009.

The current country programme contains several components that fall under the category "broad co-operation". Table 2.2 summarises the current (mid-2007) status of institutional co-operation components in the Swedish country support programme.

Table 2.2 Current status of Swedish – South African institutional co-operation

Programme	Institutional co-operation	Status and future
Democratic governance	South African Police Service – Swedish National Police Board	SEK 15 million 2006-2009 (3rd phase) Will continue, but mainly linked to trilateral co-operation
	South African Revenue Service – Swedish Tax Authority	SEK 7 million 2007–2009 (3rd phase) Future uncertain, may continue linked to CFTC-facility and own funding
	Stats SA – Statistics Sweden	SEK 6.5 million 2004–2007 (2nd phase) Future co-operation may be funded from CFTC facility and own funding
	Municipal twinning + South African Local Government Association – Swedish Association of Local Authorities and Regions	SEK 10 million + 12.78 million (2005–2008) Will continue but funding arrangements have not been clarified. Some costs are covered by the municipalities themselves
Culture	Department of Arts and Culture – Swedish National Council for Cultural Affairs	SEK 45 million 2004–2009 Expected to continue, but uncertainties about funding. The Embassy would like Swedish funding to be covered through ordinary budget of the Swedish department

Programme	Institutional co-operation	Status and future
Research	National Research Foundation – Swedish Research Council	SEK 30 million (2000- ongoing) Future funding may be possible through SAREC (aid funds) or ordinary funds for international co-operation
Health	Joint South African – Swedish Health Forum	SEK 10 million (2003–2007) Uncertain future, but depends on commitments by involved government departments through their own budgets
Economic co-operation	Department of Trade and Industry – Swedish Trade Council	SEK 40 million (2007–2009) Will have to be self-sustainable after 2009 (private sector funding)
Civil Society	Funding through Swedish NGOs	Continues through Sida global NGO-facility

There are also important mechanisms for bilateral co-operation outside the development co-operation framework. Of particular importance here is the political dialogue through the Bi-national Commission. While the Netherlands and Norway have structures for dialogue at lower levels (annual meetings between heads of Foreign Affairs departments) and Denmark has no formal structures in place, Sweden and South Africa in 1999 established a standing Bi-national Commission chaired at the highest level (currently the Deputy Prime Minister and Deputy President). This is a political forum for discussions of ongoing and future bilateral relations. The objective of the commission is to broaden and deepen the relations between the two countries. The work is shared between three committees dealing with political issues; economic co-operation; and social affairs and co-operation (including development assistance). Each committee has subcommittees. The Bi-national Commission had its fifth meeting in Stockholm in October 2007.[32]

One important development emerging out of the Bi-national Commission was the establishment in 2003 of a joint Health Forum between the National Department of Health in South Africa and the Swedish Ministry of Health and Social Affairs. The Forum aims to facilitate and stimulate enhanced and broad-based co-operation between the two countries in the field of public health. The Forum is funded through the Swedish country programme.[33]

A Swedish initiative to establish a Labour Forum along the lines of the Health Forum has so far failed to take off. The feasibility of establishing a civil society forum is currently being explored.

The number of institutional co-operation agreements established is impressive, but the results have been mixed. The Mid-term Review notes that both parties regard the co-operation with South African Revenue Services and the South African Police Services as highly successful while it has been more uneven in the others. One major programme, the support for financial management in Eastern Cape, which ended in 2006 and where co-operation with and technical assistance from the Swedish National Financial Management Authority, is often mentioned as an example of a major failure (see more on this project below).

Important lessons from these examples of institutional co-operations are that they all have been dependent on external funding, the Embassy has played a crucial role in facilitating and supporting co-operation, there is strong personal commitment from the top of the institutions in both coun-

[32] Further information is available in Sweden & South Africa. Newsletter of the Embassy of Sweden in Pretoria, South Africa, No 3, 2007 (available from www.swedenabroad.com/Pretoria). The joint declaration can also be downloaded from the Embassy website.

[33] Reports from the Health Forum are available from the Swedish Ministry of Health and Social Affairs, www.sweden.gov.se/sb/d/2207/a/12566/action/search/type/simple?query=Health+Forum.

tries, and the co-operation has been beneficial to both parties in the co-operation.

The Swedish country support strategy expected that there would be increased cost-sharing in all their programmes. The strategy specifies that Sweden as a matter of urgency enters into a dialogue with South Africa and arrives at an agreement on a suitable timetable for increased co-financing during the strategy period. This has so far not materialised. It must however, be mentioned that in the areas of culture and research there has been a successful establishment of partnership funds where both countries contribute (see the next chapter).

Sweden may have succeeded in establishing the foundations for a broadening of the co-operation but lessons emerging from the experiences suggest that two major challenges remain. One is the issue of financing co-operation. The second is the capacity of the institutions to work together.

Financing broad co-operation

Sweden has identified a range of instruments that may be available from the Swedish side to fund broad co-operation. The present components in the "toolbox" as it is often referred to in Swedish documents, are listed in Table 3.3.[34] The list also includes proposed new instruments.

Table 2.3 Swedish instruments for broader co-operation

Instrument	Description
Contract-financed technical co-operation (CFTC)	Fund for Swedish technical assistance, education and training to the public service and management in developing countries
International Training Programme	Sida arranges training in areas where Sweden claims relevant expertise. The training mainly takes place in Sweden, but can increasingly be held in Southern Africa
Swedish research links	Fund for research co-operation between researchers in Sweden and developing countries. Managed by SAREC
Culture and media	Global facility for support to culture and media
Municipal partnerships	Funding facility for institutional co-operation between Swedish municipalities and local government institutions in developing countries
NGO fund	A Sida-managed facility to fund Swedish NGOs and their co-operation with partners in the South (90/10 model)
Institutional twinning	Funding for co-operation between government institutions in Sweden and partners in the South has mainly been funded through country programmes, but separate facilities may be established
Economic co-operation	Facilities are available to facilitate co-operation between small and medium-sized enterprises in Sweden and in partner countries in the South. There are also special and significant funds for providing credits and guarantees to assist investments by Swedish companies in developing countries
Rapid response fund	This may be created at Sida to help initiate, plan and start specific partnerships
Funds for specific partnerships	Funds may be established in specific thematic areas or geographical regions

Several observations can be made of these instruments.

[34] The list is derived from a recent Sida report to the government, Återraportering avseende Sidas bredare samarbete (12 June 2007, www.Sida.se/Sida/jsp/Sida.jsp?d=519&a=32749&searchWords=bredare%20samarbete). See also A. Rönquist & S. Spets, Broader co-operation in Africa. Summary, conclusions and recommendations, Stockholm: Department for Africa, Sida, September 2005 and the joint Sida, Embassy of Sweden and the National Treasury booklet, Swedish-South African Co-operation, Partners for the Future, Pretoria & Stockholm, n.d. (2006) (also available from www.swedenabroad.com/SelectImage/26933/Sida26903en_Partners-web.pdf.)

The *first* is that virtually all of the envisaged instruments are aid-funded. Sida is likely to continue to play an important role in facilitating broader co-operation, but a major challenge for Sweden is to ensure that Swedish government institutions also make use of normal budget lines for international co-operation to fund institutional co-operation with South Africa. This would also be in line with the Swedish Policy for Global Development. It should however, also be mentioned that Sida is managing a non-aid funded facility for broader co-operation between Sweden and the Baltic countries.

The *second* is that there continues to be uncertainty about the future application of these Sida-instruments in South Africa, the funding available and the procedures to follow to access these instruments. This has made the Swedish aid transformation process in South Africa more challenging and complicated than perhaps originally envisaged.

Thirdly, there are also uncertainties regarding the use of some of these instruments in relation to both the principles of aid harmonisation and untying of aid, as well as the European Union's rule and procedures for public procurement and non-discrimination. Likewise, and on the South African side, there are procurement rules that may put some constraints on the use of certain types of instruments.

The Paris *Declaration on Aid Effectiveness* does not directly address the issues of aid transformation and broadening of co-operation, but the prevailing view in Sweden, as expressed in the recent Sida report to the government in June 2007, is that it is possible to make use of these instruments and other facilities that may be developed to fund institutional co-operation without violating the principles and mechanisms in place to strengthen aid effectiveness.[35] This is, however, a process that has to be managed carefully and in close consultation with South Africa's instruments for managing ODA. In a middle-income country with low aid dependency and strong leadership, free-standing technical assistance and institutional co-operation with the donor country may be justified (it is also specifically exempted from the OECD's recommendations regarding untying of aid). The situation will be different in aid-dependent low-income countries.

It is important here to emphasise that South Africa is making funds available through its regular budget and Medium Term Expenditure Framework for co-operation with Sweden. This is most strongly evident through the joint partnership funds in culture and research co-operation. South Africa's contributions are however, coming from government institutions with dedicated budgets for this type of co-operation. It may be more challenging to develop mechanisms to fund other types of co-operation involving line departments in other sectors.

It should also be mentioned that Sida (in 2007) established a division in charge of broader co-operation. It has also been decided that one post dealing with broader co-operation will be allocated to the Embassy in Pretoria with effect from mid-2009. This post will also be dealing with broader co-operation in relation to Angola, Botswana and Namibia. This is considered to be very important since the success of the co-operation very much lies in the ability to facilitate partnerships and in exploiting synergies between different instruments.

Making institutional partnerships work

It takes more than money to ensure that institutions develop equal partnerships and broad co-operation take off. Sweden has established strong and solid foundations for a new phase of co-operation through its political dia-

[35] See the Sida report to the government, Återraportering avseende Sidas bredare samarbete (12 June 2007, www.Sida.se/Sida/jsp/Sida.jsp?d=519&a=32749&searchWords=bredare%20samarbete).

logue, aid programmes and commercial co-operation. There are many good examples of successful partnerships between Sweden and South Africa. There are also many examples of uneven partnerships and a few outright failures and disasters. The co-operation between the police agencies in the two countries – presented in the next chapter – is one of the best examples of strong and mutual beneficial co-operation in the Swedish development co-operation with South Africa. At the other end of the spectrum we find the case of the Financial Co-operation Project in the Eastern Cape Provincial Administration. Here the role of the Swedish partner (the Swedish National Financial Management Authority) has not been successful in providing the required technical assistance. There are several reasons for this, including many problems on the South African side, but insufficient skills on the Swedish side in providing technical assistance to developing countries coupled with insufficient planning and preparation. This also led to a situation where the Swedish institution was unable to create conditions conducive to developing sustained institutional relations.[36]

When do partnerships succeed? It is difficult to provide blueprints for success beyond identifying the obvious: there has to be ownership, mutual benefits, financial resources and commitment from leadership and key people on both sides.

The examples we have from the Swedish co-operation (and from similar efforts by other donor countries) suggest that three variables are particularly important. *One* is obvious: there has to be a purpose to the co-operation and that purpose has to be mutually beneficial. In some areas this can be easily achieved, in others it will be more difficult. Issue-specific co-operation in the multilateral arena or joint projects in third countries seems more easily achieved. The *second* is institutional capacity. This is limited on both sides. On the South African side there are staff shortages and high turnover of key staff; on the Swedish side the knowledge of the development context and the challenges facing public institutions in the South are limited and often confined only to a few people in the various government institutions involved.

A *third* variable is management: the importance of the Embassy and Sida in facilitating and making partnerships work. These are important lessons which will impact on the prospects for making institutional partnerships work in South Africa. At the same time the lessons from Sida's and the Embassy's support through other Swedish government agencies also indicate that Sida and the Embassy may have to strengthen its interventions to ensure the success of such partnerships. It may be necessary to provide more rigorous initial appraisal of capacity needs and commitment of both partners in the co-operation and their ability to respond to the stated political vision of broader co-operation.

Managing phasing in and phasing out

2.7

The Swedish Embassy in Pretoria has the demanding task of managing both the phasing out of traditional development co-operation with South Africa and phasing in an expanded broader co-operation between the two countries. An internal Quality Assurance mission in late 2007 noted that the Embassy and its staff are driving the process with dedication and great commitment.[37] Such assessments rest on a number of observations, confirmed by this evaluation.

[36] In addition tot the 2006 mid-term review see also the 2007 evaluation commissioned by the Swedish Embassy,; Chris Albertyn, Financial Management Co-operation Project in the Eastern Cape Provincial Administration through Support from the Swedish National Financial Management Authority (ESV), (forthcoming in Sida Evaluation Studies 2008)

[37] This was also confirmed by an inspection visit from Sida in late 2007 (Quality Assurance Mission). Its impression was that the transformation was handled adequately and with great dedication and skills by the Embassy despite insufficient support and guidelines from Stockholm (telephone interview with Head of mission from Sida's Department for policy and method).

Firstly, the Embassy has strong competence and skills in managing the diverse tasks associated with phasing in and phasing out, but they are struggling with limited capacity. Sida posts at the Embassy are, following a 2006-decision, gradually being withdrawn with the last two expected to leave in mid-2009. This has made management of the transition particularly demanding. Some of the technical constraints have been offset by shifting management of individual projects to Sida head office and by hiring an external expert locally recruited to assist the Embassy and its staff exclusively on phasing-out elements. From mid-2009 the only expected Sida staff at the Embassy will be a programme officer in HIV/AIDS (reporting to the Swedish HIV/AIDS team in Lusaka) and one new position in charge of broader co-operation. In addition the Embassy has proposed that it be allocated one position for Swedish support to peace and security in Africa (similar to the role of the – much larger – Swedish HIV/AIDS team in Lusaka).

It is too early for the team to conclude that the withdrawal of staff will negatively impact the phase out and closing of programmes, but there is evidence that this process of withdrawing Sida staff began much too early.

Secondly, the dominant approach to phasing out has been "natural phase out": programmes and projects are completed in accordance with contracts and agreed business plans.

Thirdly, ensuring sustainability is mainly believed to be achieved if there is sufficient ownership and financial resources on the South African side. Capacity constraints and lack of technical skills have been addressed mainly through exploring possibilities for sustaining institutional co-operation between Swedish and South African partners in the programme.

Fourthly, the main trust of the Embassy's work in the current period, in line with the country strategy, has been on phasing in new forms of co-operation and to lay the foundation for a new phase in Swedish-South African relations. South Africa is in many respects a pilot country for the operationalisation of Swedish Policy for Global Development. However, the Embassy has suffered from an unclear division of roles and responsibilities in Stockholm coupled with an insufficient operationalisation of the Swedish policy. This has implied that the process to some extent can be characterised by "trial and errors". The recent establishment of a division within Sida responsible for broader co-operation will create a focal point in Stockholm, but there are still many unresolved issues around the operationalisation of existing instruments and the creation of new mechanisms to help expand broader co-operation and make it work. One is the issue of funding. Another is the focus for co-operation and the capacity and ability to facilitate and assist co-operation.

Fifthly, consultation with South Africa and South African stakeholders has been significant and extensive in the Swedish case. Major efforts have been made by the Embassy to consult and communicate with partners. A first workshop to discuss the new country strategy with South African stakeholders was held in 2004. A major workshop on broader co-operation took place in 2007. In addition, and significantly, there have been consultations and workshops in many of the programmes and projects supported to explore the possibilities for future co-operation and the sustainability of the interventions through broad co-operation. The Embassy claims that it has a good dialogue with programme partners, line ministries and with the Department of Foreign Affairs. The dialogue with the Treasury, however, has been more difficult with the parties sometimes having different approaches and different thoughts on how transformation should be implemented. However, real progress has been made as is evident also in the joint declaration from the October 2007 meeting of the Binational Commission. In the

section referring to the social affairs and co-operation committee (which deals with development co-operation) it says:

> *"The Committee noted that South Africa and Sweden have a rich common history in the field of development and that the Parties now have to work out principles for future relationship beyond 2008. These will reflect the strong relation and build on current best practices, both in South Africa as well as in the African region and globally. It is foreseen that the relationship will be characterised by a transformed relation between South Africa and Sweden from a traditional development co-operation to a partnership between equals. This future collaboration should be based on principles of mutual benefits, added value, common interests and shared responsibilities. Both parties underlined the need for innovative forms of and fiscal sustainability.*
>
> *Furthermore the Committee stated that the two countries are looking forward to developing the transformed relationship, where the co-operation is driven mainly by the cooperating partners themselves both from public and private sectors. The parties will continue to develop institutional collaborations in areas that are jointly defined. The new collaboration will incorporate institutional partnerships and tripartite co-operation. Furthermore, both parties agreed to continue strengthening the partnership aimed at fighting HIV and Aids in South Africa, in the African region and the world. To this end a new strategic framework will be elaborated in consultative way during 2008".*[38]

The findings above notwithstanding, the team would like to highlight that there is not sufficient clarity on what facilities and instruments Sweden wants to put in place to fund a broadening of the co-operation. This has also led to confusion and uncertainties on the South African side. The importance South Africa attaches to these issues must also be seen against Sweden's particularly close political relations with South Africa. What Sweden does and says matters, even if the financial issues at stake may be small.

2.8 Conclusion

Several observations and conclusions emerge from this overview of the aid transformation strategies of the four donor countries.

A *first* observation is that all the four donor countries continue to regard South Africa as an important partner in development co-operation. They are all addressing the issue of the future role of development assistance in this partnership in light of South Africa's financial resources and middle-income status.

Secondly, despite some differences between the donor agencies, the team is more struck by similarities, especially in how the Scandinavian countries are approaching future development co-operation with South Africa. Only Sweden has made a formal decision to phase out most of its grants-based assistance to the South African government in the current period, but the others are *de facto* preparing for a similar change or transformation in their development co-operation. While Denmark and Norway have not made phasing out an objective in their country programmes they are from 2007 preparing for major reduction in development aid to South Africa when current aid programmes expire. All three countries foresee a transformation of their development co-operation with much reduced, but not necessarily an end, to development aid to South Africa, stronger emphasis on a broadening of co-operation and shared responsibilities for the co-operation combined with strong emphasis on working with South Africa in Africa and in third countries.

[38] The declaration is available from www.swedenabroad.com/pretoria. The subsequent annual consultation between South Africa and the Nordic countries also addressed this issue and made a similar statement (the minutes were not finalised at the time of writing).

The Netherlands has had a different approach and has in fact increased its development to South Africa. This may, however, be changing with the new Dutch aid policy introduced in late 2007 which emphasise the importance of broadening the co-operation. This does not imply any immediate changes in development aid relations between the two countries, but may over time lead to much reduced Dutch development aid to South Africa.

The main difference between these four donor countries may lie in the approach to the role of their own government institutions in development co-operation. For Sweden and Norway it has been important to help facilitate institutional co-operation and twinning through their aid programmes with the South African government. This has been further emphasised with the focus on broadening co-operation. Norway has even made such co-operation one of the three main objectives for development co-operation with South Africa. Denmark and the Netherlands on the other hand, have been far more reluctant to focus on such issues in their development co-operation or to rely on government institutions in their home countries to act as partners and implementing agencies in aid programmes. While Denmark and Netherlands also want to stimulate such co-operation, they have (with minor exemptions) not relied on ODA funds to the South African government to finance such co-operation.

Thirdly, the role of development aid to South Africa has been strongly shaped by South Africa's role as a strategic partner for the donor countries and by the historical relations that have developed between important interest groups in South Africa and in the donor countries. Such factors were important in influencing the size and direction of the transitional assistance provided by the four donor countries from 1994–1995, in the decision from 1999–2000 of transforming this to various types of country support programmes, in the decisions from 2002–2003 regarding the continuation or discontinuation of such programmes, and in the current implementation of transition strategies. Aid programmes and interventions have hardly been planned with any exit in mind.

Maintaining strong bilateral relations with South Africa has remained an important objective for most donor countries in their approach to aid transformation. This has led to a much greater emphasis on ensuring that mechanisms and facilities to strengthen bilateral relations are in place with much more limited attention on phasing out and closing programmes.

Fourthly, all four countries have in the past phased out aid programmes and projects with the South African government. This has in general been unrelated to the current efforts to phase out development co-operation, and have not been examined in this country study. The Netherlands made South Africa a "temporary partner country" in 1999. This decision was later reversed, but the Embassy made efforts to address sustainability of Dutch decisions in preparing and implementing aid interventions in the four main sectors. Internal Embassy documents focus on the institutional environment (need for other donors to take over, political and financial commitment by South African government departments, co-operation with Dutch institutions, etc) and on the need for monitoring and evaluation. In practice there was little monitoring and evaluation and the efforts appear to have faded away with the reintroduction and refocusing of development co-operation.

Data on the current phase out is mainly linked to the on-going Swedish experience. The dominant approach is to allow interventions supported to be completed in accordance with contracts and agreements. This has in some instances also implied strong efforts by the Embassy to assist difficult projects. In the case of the Swedish support to financial management in the Eastern Cape, which began in 1998 and ended in 2006, the Embassy paid

numerous visits in 2005, commissioned a major evaluation in 2007 and helped organise workshops both in South Africa and in Sweden to discuss the findings.

A major focus in the Swedish phase out has been to ensure the sustainability of institutional partnerships established through the aid programmes. This has, *de facto*, also been a way to address the issue of continued technical assistance to ensure sustainability of aid interventions. The general perception is that South Africa has sufficient financial resources, political commitment and skills to ensure sustainability. Bottlenecks are mainly in capacity and competence constraints in some public institutions. Both Sweden and Norway have tended to turn to their own public institutions as a way of addressing such constraints.

Fifthly, for Sweden and Norway in particular, the notion of "broader co-operation" has been used to capture the vision of a new phase of development co-operation. For these two donor countries a primary focus has been to facilitate bilateral political dialogue but above all to stimulate institutional co-operation between government departments and agencies in the two countries. In the case of Denmark, and probably the new evolving Dutch policy, there is a much stronger emphasis on economic development, business-to-business co-operation and private sector development. This may also be linked to different emphasis on institutional co-operation and twinning associated by the development co-operation policies of these countries.

Sixthly, the team notes that a key issue in the Swedish case, and increasingly also in the Norwegian case, is the issue of funding future institutional co-operation. There are uncertainties on both sides about the concept of broader co-operation and how future co-operation shall be funded, how funds can be accessed and where the responsibility for the transformed co-operation shall be located.

Managing aid transformation

- The Scandinavian donors are reducing significantly their aid to South Africa and foresee a transformation of their development co-operation with much reduced, but no end, to development aid, stronger emphasis on a broadening of co-operation and shared responsibilities for the co-operation combined with strong emphasis on working with South Africa in Africa and in third countries;
- Transition management has been strongly shaped by South Africa's role as strategic partner and by historical links. Aid programmes have rarely been planned with exit in mind;
- A major difference between the four countries may lie in the emphasis by Sweden and Norway to facilitate and fund institutional co.-operation through aid programmes while Denmark and the Netherlands have been more reluctant to focus on this through aid interventions;
- Only Sweden has made aid transformation and closing of aid programmes key objectives in the current country strategy;
- The dominant approach to phasing out aid-funded programmes is to allow for a natural phase out. Beyond this sustainability issues have mainly – in the Swedish and Norwegian case – been addressed through efforts to phase in broader co-operation.
- The Swedish phase out is based on a clear decision and a defined plan for transformation and it has been managed with commitment and flexibility. It may have suffered from the decision to reduce to quickly Sida positions at the Embassy as well as from insufficient guidelines and policy support on broader co-operation;
- A key issue both in the Swedish and increasingly the Norwegian transformations has been funding for future institutional co-operation. Constraints imposed by limited capacities are also important factors. Absence of clear policies and guidelines has led to uncertainties on both sides;
- The communication between the Embassies and South African partners has in general been good. The Swedish Embassy, in particular, has put much emphasis on the interaction with programme partners in South Africa. The dialogue between the Swedish Embassy and the National Treasury on aid transformation has not always been adequate but a common understanding is now in place; and
- There is no clear understanding on the South African or donor side on how future technical and political dialogue on future development co-operation should be organised or located.

Seventhly, the team finds that the communication and dialogue between the Embassies and programme partners in South Africa have in general been good. The Swedish Embassy, in particular, has put much emphasis on the dialogue with programme partners and stakeholders. However, the team also notes that the Swedish co-operation with South Africa's ODA management structures in the National Treasury in facilitating has not always been adequate but a common understanding has been developed regarding the transformation and the principles for future co-operation.

A *final* observation: there is very little attention both among the donor agencies and within South Africa's ODA management institutions on what mechanisms and facilities for dialogue and communication that should be put in place after the phasing out of traditional development aid to South Africa. How and in what form should interaction on development issues and on South Africa's role in Africa take place? Should existing or new consultation mechanisms between donor agencies and South Africa be established? Is bilateral political dialogue sufficient?

Chapter 3

Managing phase in and phase out – case studies

This chapter provides a more detailed presentation of how the four donor countries are managing changing aid relations and development co-operation in the education sector, within arts and culture, as well as on how they are approaching South Africa's role in regional programmes and in third countries.

3.1 Education

3.1.1 Sector involvement of the four donors: main features

Support to the education and training sector by the four countries is characterized by the following features:

- Financial support in absolute terms is substantial in all four cases; for example, education support currently comprises approximately 40 per cent of the Netherlands aid budget.
- Sectoral involvement varies considerably with little overlap between the countries. The Netherlands has made a huge commitment in primary education with an emphasis on quality and implementation; and research, through SANPAD. Norway's education involvement is in higher education and the research co-operation programme; Denmark's is in further education and training (vocational education); and Sweden has been active in 'inclusive education', schooling and research.
- There is a strong alignment to South African government priorities: for example, improving education quality (Netherlands, Sweden); policy implementation (all four countries); skills development (Denmark); research (Netherlands, Norway; Sweden); and capacity building (Sweden, Netherlands).
- The various education projects make an important contribution to addressing the twin challenges of efficiency and equity in the education sector: for example, provincial implementation (Netherlands, Sweden); teacher development (Netherlands); rural education (Netherlands, Sweden); FET (Further Education and Training) college restructuring (Denmark); and restructuring of higher education (Norway).
- Institutional co-operation is a key feature of the Norwegian and Swedish research co-operation programme, the Dutch-funded SANPAD, and Sweden's involvement in inclusive education.

- While education support by all four countries has been large in absolute terms, it remains small in relation to the government's budget. However, donor funding has enabled the national and provincial departments of education to undertake strategic projects in order to leverage success on a national scale. This is particularly true, for example, of the Danish skills education programme, the Dutch budget support to the national department and its funding of resource centres in two provinces, and of Swedish support in the inclusive education sector.

Netherlands

Development assistance in education is substantial (of the order of 23 million euros annually and about 40% of total Dutch aid).[39] The education projects supported by the Netherlands have a number of important characteristics:

1. a high priority has been placed on assistance to improving the quality of education – the biggest challenge facing the Department of Education – e.g. teacher education, literacy and numeracy, and implementation projects to enhance access quality in primary education.
2. Funding priorities are changing over time from policy support to supporting provincial government implementation.
3. Substantial resources are provided to a range of research institutions for projects again largely relating to the key issue of improving education quality.
4 Budget support is provided to the national department to enable it to fund strategic projects relating to quality, such as the School Register of Needs, in-service teacher training, and the National Reading Programme.
5. Rural education is strongly supported through the KZN and North West provincial programmes.
6. Projects are being implemented through NGOs – e.g. Media in Education Trust in KZN and North West, and Open Learning Systems Trust for the radio-learning programmes for teachers and schools in rural areas.
7. The Higher education sector is supported through SANPAD.

In summary, education support is provided to the national department, two provinces and a range of research institutions. Support is provided by the Embassy through the country programme largely in primary education while a global facility for research, managed by headquarters, is available to higher education (SANPAD).

An important contribution of Dutch assistance in the provinces relates to the innovative development of 'education resource centres', which have been piloted successfully in KZN and the North West Province – these are now being scaled up during the second phase.

An important feature of the programme is the high degree of consultation with the national department of education on the shape of the programme.

The Embassy does not anticipate changes in the level or priorities in development assistance to education in the near future; current programmes are expected to continue to at least 2009. There is clearly no intention to exit from this sector.

[39] The total Dutch contribution to the education sector between 1995 and 2007 (including completed and ongoing projects) was between ZAR 1.4 and 1.5 billion. For the 2005-2010 period the total approved budget for the education programme is Euro 125 million. All information is derived from unpublished documents provided by the Netherlands Embassy in Pretoria.

The Netherlands has a global facility for support to research in developing countries. With funding from this facility a special *South Africa – Netherlands Research Programme on Alternatives in Development* (SANPAD) was launched in 1997. SANPAD has been funded for two phases, 1997–2003, and 2003–2008 with a total cost of (up to 2005) of Euro 8.6 million. A third phase taking the programme up to 2013 may be launched in 2008.[40] The character of the co-operation is expressed in the joint governance of the programme with national committees in both countries and a joint decision-making committee. Ownership and management have however, moved more and more to South Africa and the Durban-based Secretariat. In the third phase, management may also be moved from the Ministry of Foreign Affairs in The Hague to the Embassy in Pretoria. There are no direct involvements with South African government institutions or any funding contribution from South Africa Department of Science and Technology to the programme.

The programme brings together academics from South Africa and Netherlands for research in the field of social sciences. The programme works nationally and provides grants for research. It has also set up a course to train students and scholars to be good researchers.

The programme started out with three objectives:

- to stimulate and promote scientific research;
- to build research capacity; and
- to create a culture of research.

To achieve these objectives six themes were adopted: new approaches to economic development; social development; natural resources; democracy and governance; culture identity and a new society; and poverty reduction.

It is evident that SANPAD has provided opportunities for independent social science research. The research grants and the capacity building activities have helped academics who have had few opportunities to conduct social science research. Given the limited resources available for social sciences in the country, SANPAD has clearly filled an important gap. Many new and significant activities in research and research training have been initiated and many individual researchers have benefited.[41]

SANPAD has good prospects for achieving sustainable results in the terms of a continuation of independent, policy-related social science research.

Two negative aspects of the programme are the following:

- the dual administrative structure (offices in both countries) has led to administrative problems; and
- a lack of progress in terms of institutional equity. A recent SANPAD inventory shows that the distribution of partnerships in research and education is unevenly spread amongst universities, and other research and higher education institutions. The majority of the partnerships are with 'traditional' (that is, historically-advantaged) institutions. Moreover,

[40] See more on this in Evaluation of the Netherlands' Research Policy 1992–2005. Experiences with a new approach in six countries: Bolivia, Ghana, Mali, South Africa, Tanzania and Vietnam, The Hague: Ministry of Foreign Affairs May 2007 (IOB Evaluations no. 304, Summary) and Ria Brouwers & Ben Khoapa, South Africa-Netherlands Research Programme on Alternatives in Development, The Hague: The Ministry of Foreign Affairs, October 2005 (IOB Working Documents). SANPAD also has an informative website www.sanpad.org.za.

[41] See also the recent SANPAD publication by P. Hoebink et al., Cooperating for Science. An Inventory of Research and Education Partnerships between South Africa and the Netherlands, Amsterdam: Rozenberg Publishers 2007.

amongst the historically-disadvantaged universities, there are a disproportionate number of partnerships with the University of the Western Cape relative to other historically-disadvantaged institutions (HDIs).

Norway

Norway's involvement in education relates to two initiatives:

- Research Co-operation; and
- Higher Education.

The goal of the *research co-operation* programme was to establish the basis for long term research co-operation between Norway and South Africa. The purpose was to broaden and strengthen research co-operation between the two countries through the establishment of joint mechanisms for supporting research collaboration. Another principal objective is to build the foundations for sustainable co-operation beyond the end of current Norwegian development assistance to South Africa.

The programme is based on principles of equal partnership where the primary mode of operation is joint research. Activities include i) the exchange of project staff and post-graduate students; ii) exchange of scientific and technological information and documentation; iii) organization of joint workshops, conferences and research training courses; iv) provision of equipment grants (only to South Africa); v) dissemination of research findings; and vi) joint participation in international research programmes. The priority areas in the current second phase are:

- Health and medical sciences (with emphasis on mother and child health, public and community based health, preventive health and nutrition);
- HIV/AIDS (including non-clinical and multi-sectoral perspectives);
- Information and communication technology;
- Environment (with emphasis on aquatic research and polar research);
- Communication and social change (with emphasis on economic growth, governance, social transformation and human resource development);
- Education;
- Energy (with emphasis on renewable and sustainable energy sources and socio-economic impacts); and
- an open category (to potentially excellent research initiatives outside the above prioritised fields limited to 10% of the Programme budget).

The programme is jointly funded and managed. Norway contributes NOK 42 million in the current phase (2006–2010) from the country support programme while South Africa through the Department of Science and Technology contributes ZAR 9 million + certain administrative costs. It is managed on the South African side by the Department of Science and Technology and the Department of Education through the National Research Foundation. On the Norwegian side, the programme is managed by the Research Council of Norway. The programme operates with a call for proposals in the two countries,

two secretariats, and a joint decision-making body assisted by a scientific committee.[42]

The value of the programme and an indication of its long-term sustainability is reflected in the Department of Science and Technology's willingness to commit substantial own resources. Moreover, this programme has often been cited by the South African Minister of Science and Technology as a flagship programme, because of its depth for collaboration.

The future of the programme is at present uncertain. This primarily revolves around the future of Norwegian funding. South Africa has indicated its willingness to continue to provide funding through the Department of Science and Technology, and even to increase its contribution. With a likely reduction or possibly even an end of the country support programme from 2009, the future Norwegian financial contribution is uncertain. One option, which fits with the ambition of "broader co-operation", would be for the Norwegian Ministry of Education and Research to provide funding for a new phase from its ordinary budget lines for international research co-operation. The Ministry has apparently been reluctant to do so preferring that funding should come from the aid budget. There may be possibilities for securing possible funding from global facilities in the aid budget, but this may imply a need to link funding to other priorities (such as relevance in relation to key areas of Norwegian interest – energy, environment and peacebuilding).

The *South Africa-Norway Tertiary Education Development Programme* (SANTED) project was launched at the end of 2000 as a five-year NOK 54 million programme as an effort to assist the Department of Education in the transformation of the higher education sector. A second NOK 60 million phase is running from 2006 to 2010. The Johannesburg-based Centre for Education Policy Development is the project implementation unit for this programme that seeks to assist the Department in the transformation of higher education sector. In the second phase the programme objective was sharpened and limited to contribute to:

- the national Department of Education's objective to improve retention and success rates in the higher education system; and
- to build sustainable partnerships between South African universities and universities in other SADC countries.

In the first phase projects supported were distributed between access and retention projects at two universities, capacity building in the areas of finance, administration and human resources management for two others, four SADC co-operation projects and a joint formative research project between a Norwegian university and two South African universities.[43]

In the current phase SANTED has three components:

1. Improving the access, retention and success of students, with projects currently at the Universities of KwaZulu-Natal, Fort Hare, Rhodes, Cape Town, and the Western Cape and the Durban Institute of Technology;

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[42] See also A. Barnett et al., *Review of the South Africa-Norway Programme on Research Co-operation: Phase I and appraisal of phase II*, Final Report 24th September 2005 (unpublished). The Research Council of Norway maintains a good website with most key documents from this programme available. See www.forskningsradet.no/servlet/Satellite?pagename=southafrica/Page/HovedSideEng&c=Page&cid=1088801972236. In 2007 the National Research Foundation also published a book presenting the programme and projects supported. See *South Africa – Norway. Programme on Research Co-operation*, Pretoria: National Research Foundations 2007

[43] See the unpublished review from the first phase in Stein Hansen, Hugh Africa & Ad Boeren, *Review of South Africa-Norway Tertiary Education Development Programme (SANTED)*, Final report, Oslo, NORAD, 12 October 2005. Key documents are also available from the SANTED website hosted by the Centre for Policy Education Development (the programme implementation unit), www.cepd.org.za/SANTED/index.htm.

2. Capacity building with two projects, one in Curriculum Restructuring at the recently-merged 'comprehensive universities' (old universities and technikons merged), with collaborative programmes between the University of Johannesburg and the Nelson Mandela Metropolitan University, and one providing support to the South African Union of Students;
3. Institutional co-operation between universities in South Africa and other SADC countries. The current projects are a HIV/AIDS peer education project between the University of the Western Cape and the Universities of Namibia, Malawi, and Zambia, and academic capacity building programmes developed by Witwatersrand University (in Biological Sciences, Engineering and Economics) with the Universities of Namibia and Eduardo Mondlane in Mozambique; between the University of South Africa and University Agostinho Neto (nursing) in Angola; and (under preparation) between Rhodes University and University of Namibia in computer science.

An important feature of the South Africa – SADC programme is that the South African institutions are expected to help build academic capacity in the region to deliver post-graduate courses and eventual research collaboration.

The Department of Education has raised the possibility for extended regional co-operation building on existing linkages, e.g. Eduardo Mondlane University and Wits; UNISA and Angola; and the Council on Higher Education quality assuring in Namibia and Lesotho.

The Department of Education believes also that SANTED can make an important contribution to:

- strengthening quality of higher education in the region; and
- furthering co-operation with a view to stimulating knowledge and innovation – through for instance, post-doctoral fellowships and joint research programmes.

It was also made clear that South Africa is willing to put money into these programmes.

With regard to the national programme, the Centre for Education Policy Development, the SANTED administrator, believes that when the current funding cycle ends, the South African government should provide funding for projects of this nature.

There is some support to research in other programmes. In the Embassy's human rights programme there is, for exampel, significant funding to projects at the University of the Western Cape (2 institutions), the University of Pretoria (2 institutions) and the University of the Witwatersrand as well as co-operation with two Norwegian universities (University of Oslo and the University of Life Sciences). Outside the country support programme Norway is also (through its regional portfolio) supporting a regional training programme in energy policy implemented through the University of Cape Town while a regional research programme on SADC involves Witwatersrand University. There is also significant support to policy research at the Institute of Security Studies.

In addition to these aid-funded activities there are also other developments, which point to a further "broadening" of relations between Norway and South Africa. There is a rapidly growing number of Norwegians studying at South African universities. Furthermore, Norwegian education authorities are also increasingly interacting with their South African counterparts in international and multilateral education fora.

Denmark

Denmark's support in the education sector has been aimed at consolidating activities supported since 1994 with respect to strategy development and aimed in particular at providing service to vulnerable and under-privileged groups through strengthening sub-sectors such as i) youth and adult further education and training; and ii) vocational education and training.[44]

The *Support to Education and Skills Development* (SESD) programme has come in two parts: SESD I from 2002–2005 and SESD II from 2006 -2008. The primary partners are the national Department of Education, provincial departments of education in KwaZulu-Natal, North West and Western Cape, and selected Further Education and Training (FET) colleges in those provinces. SESD I defined four programme components in relation to these partners: one national component and three provincial ones. A fifth component was led by the Department of Labour in developing a New Venture Creation Learnership. SESD II defines two programme components: a 'policy support' component located at the national level, and a responsive FET colleges component' located at the provincial level. The Department of Labour withdrew from SESD II. The SESD II programme is focused entirely with government and on institutions in the FET system.

At the level of outputs, the SESD programme is concerned essentially with supporting capacity development in the departments and colleges. Key areas of support include teacher education, student support services and inclusive education. Funding of the Plato computer-assisted Maths and Literacy programme – a very successful initiative in the FET colleges – is an example of how a small, initial investment can leverage success on a national scale. The Department of Education is currently preparing to ensure that all colleges have this software.

Policy Support at the national level has ensured that the Department of Education has been able to undertake strategic interventions to support large initiatives such as for instance the recapitalization project. Important interventions in this regard include the funding of an efficiency study of SESD-supported FET colleges; teacher development; and initiatives relating to student support.

With the end of the second phase of SESD, Denmark is preparing to phase in a new programme on skills development from 2008. This may be more linked to the Danish business-to-business programme but a strong alignment with South Africa's ASGISA and JIPSA initiatives is expected.

In the context of Danish support for vocational education, the Department of Education believes that there is potential for tripartite relationships related to South Africa's expanding engagement in vocational education on the continent. Denmark may be able to assist in countries such as Angola, the Democratic Republic of Congo and Mozambique.

Outside the country programme and through the support to regional peace and security Denmark is also providing significant support to an important research and training project involving Witwatersrand University and universities in 9 SADC countries (the Southern African Defence and Security Management Network). It also includes a co-operation component with the Danish Institute for International Studies.

[44] See more on this programme in Chris Albertyn, *Assessment of the Danish-South Africa Country Strategy, 2002-2006*, Final Report April 2007, Copenhagen: Ministry of Foreign Affairs (unpublished). This study is based, *inter alia*, on available project documents, including the 2006 review of SESD II.

Sweden

Sweden's main contribution in the South African education sector has been in the following sub-sectors:

- 'inclusive education';
- education management in the Eastern Cape;
- research; and
- human rights and social justice in education.[45]

Sweden has supported the implementation of the first phase of White Paper No 6 on *Inclusive Education* since 2003. Due to the slow implementation of the programme the agreement was extended in May 2006 until June 2008, with the activity period ending in December 2007, without additional funds. The work is now progressing well and by the end of 2006 Sida disbursed 12 million SEK to the Department of Education. One part of the contribution is set aside for institutional co-operation between the Stockholm Institute of Education and the Department of Education.

The activities under this program can be summarized as follows:

- Funding has been utilized for skills development of educators, especially for the visually impaired.
- An audit of special schools was also undertaken with Swedish funding.
- A research program between UNISA and the Stockholm Institute of Education has been developed with the department of Education playing a peripheral role.
- A local NGO has been used for training of teachers at 30 ordinary schools, 30 special schools and 4 youth advisory centres.

The expertise of Sweden in this area, especially in the teaching of the deaf and visually impaired, is highly valued by the Department of Education.

Education Management in the Eastern Cape forms part of the integrated support to the provincial government in the Eastern Cape Province. The programme is coordinated by the Danish-South African consortium Copenhagen Development Consulting/JET Education Services. The programme focuses on education management and capacity building in three districts and 50 schools, where work on school development planning, financial and curriculum management has been undertaken. An additional funding was provided in 2006 to help replicate the programme in other Eastern Cape districts. The activities will end in December 2007.[46]

The *South African-Swedish Research Programme* is a jointly managed and jointly funded co-operation between the Swedish Research Council and the National Research Foundation in South Africa. It operates on the basis of calls for applications similar to the Norwegian-South African programme. Since the start in 1999, some 80 Swedish institutions have entered into projects within the programme.[47] The Swedish funding is coming from the country support programme and is channelled through Sida/SAREC's Swedish Research Links programme. The current funding will end in 2008.

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[45] See also the Swedish 2004–2008 *Country Strategy for Development Co-operation* and the unpublished 2006 annual report (*Sida Country Report 2006: South Africa*)

[46] The management of this project encountered difficulties when the Copenhagen Development Consulting entered into bankruptcy in August 2007. At the time of writing legal preparations was being made to let JET become the sole contract partner to the Embassy. The project may also be extended with three months – but with no additional funds – due to the general strike in mid-2007 and the delays in project implementation.

[47] Programme presentation and guidelines are available from the website of the Swedish Research Council www.vr.se/download/18.2df3c1511126c2d4c480001305/SRL+2007+guidelines.pdf.

The eight research projects in the field of democracy and human rights in education, coordinated by the *Education Policy Consortium* (EPC), have been completed. The findings were presented at a conference in Johannesburg in March 2007. Sweden and the Netherlands have financed this programme since 2002. The EPC has also established links with Swedish scholars and institutions. In 2006, a number of joint Swedish-South African research papers were presented from the 2005 international colloquium, in collaboration with the National Research Foundation of South Africa (NRF). Swedish researchers also gave seminars at several universities in the country. A first joint book based on research papers was published in Sweden in 2007.[48]

3.1.2 Main findings on aid management

The nature of aid transformation in the education sector varies between the four countries.

Phasing out

Netherlands is expanding in all sub-sectors. There is no indication of any plans to scale down development assistance in the short to medium terms.

For the three other countries there are various efforts to phase out existing programmes. In the *Norwegian* case the expectations are that support for SANTED will end with the expiry of the current phase in 2010. The perception is also that this will not create any significant problems for the Department of Education. The department has sufficient funding available to support SANTED projects if that is required. The SANTED project management unit will remain an important institutional memory and linkage between participating universities and the Department's higher education branch.

The challenges are different for the joint research programme. The South African government (specifically the Department of Science and Technology) is willing to put financial resources into the continuation of this programme, but there is no decision or clarity on the Norwegian side. The programme will not be able to continue unless Norway is prepared to provide funding for its continuation.

Denmark will continue its emphasis on skills development but will probably refocus (away from FET colleges) to business-to-business relationships. Denmark has been clear in its communication to the Department of Education regarding its decision to end its current programme. This is not expected to create any problems for the department.

In the case of *Sweden* support for 'inclusive education' through the national Department of Education is coming to an end. The Swedish-funded project has to a large extent been successful. A basis has been created for the Department of Education to scale-up implementation nationally on the basis of the support provided by Sweden for policy support and pilot studies. If there is a need for continued Swedish technical assistance (from the Stockholm Institute of Education) it is the opinion on the Swedish side that South Africa should pay for this.

[48] See C. Odora Hoppers, B. Gustavsson, E. Motala & J. Pampallis (eds.) *Democracy and Human Rights in Education and Society in South Africa and Sweden*, published on behalf of the South Africa Systems Research Collaboration, 2007.

Education

- The Netherlands are expanding development assistance while Norway, Sweden and Denmark are phasing out;
- Phasing out is not expected to cause major problems or disruptions, but staff shortages and capacity constraints on the South African side may cause temporary difficulties in some projects;
- Successful models for future co-operation in research have been established based on joint funding but still uncertainties about financial contribution after the end of country support programmes;
- Good prospects for working with South Africa in regional and trilateral projects in higher education and research.

The support to education management in Eastern Cape is also coming to an end. The team is not in a position to assess the management of this process, but we note that Sida's 2006 annual report states that the programme is managed well.

The challenges for the joint Swedish-South Africa research programme are similar to the Norwegian programme. Funding is expected to be available from the South African Department of Science and Technology, but there is no clarity on the Swedish side regarding funding.

3.1.3 Broadening co-operation

The most successful broadening of the co-operation in the education sector is taking place through the jointly-funded research programmes and managed by the research councils. It is, however, a challenge – and a paradox – that neither Sweden nor Norway has been able to make commitments for continued funding while South Africa already has indicated its willingness to provide financial support to this from its regular budget.

In addition – and importantly – strong political dialogue has been established been education authorities in South Africa and their counterparts in the four donor countries.

At the University of the Western Cape a *Southern Africa Nordic Centre* (SANORD) for higher education institutions in Southern Africa and the Nordic countries was established in early 2007.[49]

Regional and trilateral co-operation

Perhaps the most challenging and also most promising area for future co-operation can be found in regional co-operation in higher education and research. There is already substantial donor-funding to South African universities and research institutions for activities in other SADC countries and beyond. This is expected to continue and even to expand. The challenge is to ensure that partner institutions outside South Africa benefit sufficiently and that national and regional institutions – such as the Southern Africa Regional Universities Association – have sufficient capacity to supervise and guide this process.

[49] The SANORD centre emerged out of a co-operation between the University of the Western Cape and the University of Bergen established during the first phase of the SANTED programme. See more in www.sanord.org.

3.2 Arts and culture

3.2.1 Sector involvement of the four donors: main features

Three of the four donor countries have defined arts and culture as one of the areas for co-operation with South Africa: Norway, the Netherlands and Sweden. Only Sweden has made it part of the formal country support programme with the South African government. They have different programmes that also may represent different ways of exploring new types of co-operation with South Africa. The volume of the co-operation programmes also differs considerably between the three countries.

Netherlands

Cultural co-operation with South Africa has been a central area since 1995.[50] The Netherlands has made a clear distinction between two elements of cultural policy with different budget lines available.

The first is an ODA-funded *culture and development* programme which is aimed at strengthening South African cultural organisations. This is a grant-making facility managed by the Netherlands Embassy which seeks to support specific cultural organisations and activities. The fund started with an annual budget of NLG 0.5 million in 1995 but increased rapidly. The current (2007) annual budget is about 1 million Euro, up from 500 000 Euro in 2004. This also includes an allocation for cultural heritage. The Embassy decides on the allocation of funds, but is increasingly moving to a situation where grants are allocated through South African grant making institutions.[51]

The second is the Dutch International Culture policy aiming to intensify cultural relations between the Netherlands and priority countries and to raise the Dutch cultural image abroad. South Africa is one of the thirteen priority countries (most of them are high-income countries) for this policy that is the joint responsibility of the Ministry of Foreign Affairs and the Ministry of Education, Culture and Science. The funds are non-ODA funds. Two funds are available to fund activities in South Africa: one is a fund managed by the Embassy to finance international cultural activities in South Africa with a link to the Netherlands. The second is the centrally managed Netherlands Culture Fund. South African and Dutch organisations may apply to this fund which is not specifically earmarked for South Africa. Available project grants vary between 100,000 Euro and 1 million Euro. In the period 1997–2000 11 projects for South Africa were approved. Recently fewer projects for South Africa have been supported.

In addition to these facilities, the Dutch government also provides funding to Dutch NGOs supporting cultural organisations and activities in South Africa. This includes the Prince Claus Fund, HIVOS culture fund and NIZA (Netherlands Institute for Southern Africa) and others.

The Netherlands does not foresee any changes in the two lines of cultural policy and the funding available to South Africa.

Norway

Aid-funded support for cultural projects in South Africa and co-operation between Norwegian and South African cultural organisations dates back to anti-apartheid struggle. It was continued after 1994 mainly through Norwegian NGOs and cultural organisations. There are no cultural programmes within

[50] For a background and introduction to the Dutch policy in this area see Anneke Slob, Nicky du Plessis and Sarah Nuttall, *Evaluation of Dutch International Cultural Policy in the context of South Africa*, The Hague, Ministry of Foreign Affairs 2002 (*IOB Working Document, March*).

[51] The embassy website is not entirely updated but see the relevant guidelines and criteria for funding at www.dutchembassy.co.za/index.php?module=pagesetter&func=viewpub&tid=7&pid=0&meid=25

the country support programme (except for some funding in the related media area), but the Embassy has since 2001 managed one cultural programme with the National Arts Council (a South African government institution). This is not funded through the country programme with South Africa but from a global Norwegian ODA-facility for support to culture.

The main Norwegian-supported cultural programme is the *South African - Norwegian Education and Music Programme* (Mmino), a co-operation programme between the South African National Arts Council and the Norwegian Concert Institute (Rikskonsertene).[52] The programme funds projects in two areas; improving music education, and co-operation/exchange between Norwegians and South Africans in this field (including also exchange within Southern Africa). The programme is focused on education at community level targeting youth from disadvantaged backgrounds. The current and second phase of this programme began in 2005 and expires at the end of 2007. The total financial commitment from Norway for this phase is NOK 6.25 million. No decision has been made regarding future Norwegian funding for this. This will await a joint review to be undertaken in late 2007. Subject to the review findings, the Embassy is keen to continue with a third phase, but wishes to expand the regional component (there is a Southern Africa component in the current programme but it has failed to take off) and emphasises the importance of a direct financial contribution from the Department of Arts and Culture to help ensure the sustainability of the project. The National Arts Council is thinking along the same lines and hopes that Norway will be in a position to significantly increase its contribution in a third phase.

In addition there are a number of smaller aid-funded projects related to cultural co-operation and development, mainly through Norwegian NGOs and cultural organisations. A main channel in recent years is the Norwegian *Fredskorpset* (volunteer service), which promotes staff exchange between partners in Norway and the developing countries as well as South-South co-operation.[53]

There are several regional projects in the cultural area, one of which is managed by the Embassy in Pretoria. This is the regional programme, also in the music area, with the Pan African Society for Musical Arts Education. It is a co-operation programme between the Norwegian Concert Institute and the society's South Africa-based Centre for Indigenous African Instrumental Music and Dance Practices (Research, Education and Performance) (CIIMDA) for SADC countries. An allocation of NOK 9 million has been made for the period 2006–2008. The overall aim is to make traditional African music and dance part of the curriculum in schools in SADC countries. The Norwegian Concert Institute has overall responsibility for the programme.[54]

Sweden

Sweden has a long tradition in the field of cultural co-operation that dates back to the period of the struggle against apartheid. The 1999–2003 country support programme stated that support to culture should focus on the collaboration between Swedish and South African institutions with an emphasis on a broader, long-term co-operation based on reciprocity. In February 2004 the *Swedish-South African Culture Partnership Programme* was established and an agreement signed covering a five-year period from April 2004 to March 2009. Ini-

[52] See more about this programme at their website, www.mmino.org.za. The business plan can also be downloaded from the Norwegian Embassy website, www.norway.org.za/development/bilateral/culture/culture.htm. The team also had access to the unpublished annual reports and minutes from the annual meetings between Mmino and the Norwegian Embassy.

[53] See also the website of Fredskorpset for a list of current cultural co-operation projects supported, www.fredskorpset.no/templates/frontpage.aspx?id=107.

[54] See more about this programme at www.pasmae.org.

tially Sweden allocated SEK 45 million from the country support programme for the 2004–2006 period while South Africa's Department of Arts and Culture contributed ZAR 12 million to what was intended as a jointly funded and jointly managed programme. Funding will be available for the remaining project period, but there has been a long delay in the funding cycle with the Embassy currently awaiting the outcome of a mid-term review.[55]

The programme was based on the South African policy for arts and culture and on the Swedish objectives for development co-operation. The primary aim of the programme is to reduce poverty, strengthen and extend democracy and to create the conditions for a broader and more long-term partnership between the two countries.

The National Council of Cultural Affairs in Sweden and the National Arts Council in South Africa were originally identified as the project implementation partners, but following the problems at the National Arts Council, the South African Department of Arts and Culture assumed responsibility for implementing the programme on the South African side.[56] A Joint Committee of 10 members (five in South Africa and five in Sweden) was appointed to handle applications and make recommendations for grants.

There are delays in the implementation of this programme and it has suffered from the lack of insufficient implementing capacity on the South African side. The programme has however, succeeded in providing support to a range of projects well aligned with both Swedish and South African priorities. On the Swedish side the management of the programme was shifted from the Embassy to Sida in Stockholm in 2006.

This programme is well aligned with the Swedish objective of shifting from traditional aid to broader co-operation. No decision has yet been made about its future, but a new call for applications is expected in 2008. The Swedish Embassy would like future funding to come from regular Swedish budget lines for cultural co-operation and not from a Sida instrument. On the South African side the reconstituted and restructured National Arts Council is keen to act as an implementing agency on behalf of the Department of Arts and Culture. There appears to be broad consensus that the National Arts Council should be brought into any future programme as the main implementing agency on the South African side.

3.2.2 Main findings on aid management

The transformation dimensions relating to the arts and culture sector can essentially be summarised as follows.

- For *Sweden* the foundations for institutional co-operation has been established in the current aid programme and the Embassy hopes that this will continue after 2009 but with the Swedish contribution to the partnership fund preferably coming from non-ODA sources.
- For *Norway* the small culture programme is coming to an end this year, but the Embassy hopes that a new phase can be launched based on a partnership fund (similar to the Swedish programme), and with a larger regional component. Norway is the only country to pursue the regional/trilateral dimension in its support to culture.

[55] See more about the programme on the website of the Swedish National Council for Cultural Affairs, www.kulturradet.se/templates/KR_Page.aspx?id=1093&epslanguage=SV, as well as the draft reports from the mid term review: A. Theorell, *It takes time, Mid Term Review of the Swedish South African Culture Partnership Programme, April 2004 – March 2007*, final Report May 2007 (unpublished) and *Impact Survey Report on the Swedish South African Cultural Partnership Programme (SSACPP) on behalf of the Department of Arts & Culture*, prepared by Sagakweng & Associates Strategy Consultancy (draft, n.d.).

[56] The CEO of the National Arts Council was suspended in 2003 and the Council was dissolved by the Minister of Arts and Culture in 2004. A new Council was only appointed in 2006.

- The *Netherlands* has no transformation dimension in its current programme and expects to continue with the Embassy's local grant facility in this area (but they do have non-ODA funded instruments for cultural co-operation between the two countries).

On the *South African* side the Department of Arts and Culture has significant funds available for grant making support to South African artists.[57] South Africa also has a significant domestic donor community, which makes substantial funding available in this sector. The Department also has funds available for international co-operation. The South African government's priority is on co-operation in the SADC/Africa region and linked to South Africa's development priorities. They also have funds for international and global marketing of South African culture. At the National Arts Council they are keen to manage a continued cultural co-operation programmes with Sweden and Norway.

Institutional co-operation is thus central in the Embassy thinking around aid transformation. The management approach has essentially been to ensure that the right mechanisms and funding is in place to ensure that it can continue. To succeed the management of such co-funded joint programmes may have to ensure that the co-operation:

- Is mutually beneficial – institutions in both countries have to benefit from the co-operation;
- must move beyond exchange – there must be other benefits linked to activities of the participating institutions; and
- there must be strong commitments from top management of the institutions.

Furthermore, such co-operation will often have to be facilitated and supported by a development agency or Embassy – this sometimes implies also that such a third party must be proactive in matching partners.

Culture

- Sweden has a major jointly funded cultural co-operation programme with South Africa which they want to continue but there are uncertainties about future Swedish funding;
- Swedish management has focused on efforts to improve procedures and mechanisms for joint management and co-funding;
- Norway a small programme which they are considering to expand based on joint funding with South Africa and stronger regional component;
- The Netherlands has a strong focus on culture and has several programmes also with non-ODA funding to promote co-operation between the two countries. No major changes are envisaged;
- South Africa has significant financial resources available for South African artists and international co-operation;
- Institutional co-operation is central to Swedish and Norwegian thinking around transformation

The lessons from especially the Norwegian and Swedish cultural programmes – which both, to varying degrees, emphasise co-operation – as well as the lessons from the related research co-operation programmes are important. There are some good examples among the many projects and interventions supported through these joint programmes. They show that co-operation and exchange can work in addressing common objectives and poverty reduction.

[57] See also the Department of Arts and Culture, *Strategic Plan, 1. April 2007-31 March 2010*, Pretoria 2007 (available from www.dac.gov.za/strategic_plan.htm).

These examples need to be studied carefully. There are also obstacles in making institutional partnership work. There are capacity constraints on both sides, including limited knowledge in many northern institutions of the development context and the challenges facing institutions in the South.

3.3 Regional and Trilateral Co-operation

How to work with South Africa in Africa is an important issue for nearly all donor countries active in South Africa. It is also a key dimension for those donor agencies seeking to transform their aid relations with South Africa. However, this is not a new issue. South Africa's role in Africa has for many years been a major issue for all four countries examined in this study, but it has received an added urgency with efforts to phase out from traditional development aid to South Africa and with South Africa's own evolving thinking around how to work with northern development partners in Africa. The Swedish Embassy in Pretoria has also proposed that the Embassy be given the task of providing technical assistance for Swedish support to peace and security projects in the region and beyond (with a similar role as, e.g., the Swedish Embassy in Lusaka in relation to HIV/AIDS). Norway has a regional advisor based at its Embassy in Pretoria.

3.3.1 Involvement of four donors: main features

The four donor countries are strong supporters of programmes and projects aiming at advancing regional co-operation in Southern Africa. The Netherlands is particularly strong in supporting HIV/AIDS projects, but are also supporting activities in the peace and security area and may expand its role here; Denmark has a strong profile in environmental and water affairs, in peace and security and to some extent in good governance issues (financial management, media, elections); while Sweden has a strong profile in water affairs, HIV/AIDS, environment and natural resource management, gender and various projects in the governance and peace/security area. Norway has made regional co-operation one of the core objectives in their country programme with South Africa and there are regional components – although small – in most of their programmes with the South African government. The main Norwegian regional projects are in energy, environment and natural resources management (including fisheries) with additional projects in HIV/AIDS and the governance and peace and security area.[58] For all the four donors, it is expected that climate change and environmental issues are likely to feature prominently in future development aid and political dialogue.

There is participation by private and/or public South African institutions in nearly all of the donor-supported regional projects. The South African institution may not necessarily be the contract partner or implementing agency, but there tends to be an involvement by South Africa in most regional projects supported by the four donor countries. In the 22 regional projects financially supported by the Norwegian Embassy in Pretoria in 2006 there is South African participation in all of them (but in many of the projects the Embassy's contract partner is located outside South Africa).

This involvement of South Africa in donor-supported regional activities began in the mid-1990s. It was evident already in some of the first regional projects designed after the new democratically elected government took office in 1994. Among the first was the Danish support for the South Africa Treasury's work in developing a SADC protocol on finance, the Swedish use

[58] An overview of regional programmes of these four countries and other donors is provided in E. N. Tjønneland, *SADC and Donors – Ideals and Practices, From Gaborone to Paris and Back*, Gaborone: BIDPA 2006 (also available from the South African Treasury website, www.dcis.gov.za/Documents/SADC_and_donors-ideals_and_practices_B5.pdf.

of South African institutions in strengthening training in financial management and in the Norwegian support to South African NGOs active in regional peace and security issues.

There is an obvious logic to these efforts to make use of South African resources in the region and beyond. South Africa is a major economic power in Southern Africa and on the continent; it is an assertive political player; and South Africa has technical skills, institutions and resources in high demand in poorer neighbouring countries and on the continent. In the last few years a number of donor agencies have begun to place additional emphasis on South Africa's role. South Africa is increasingly regarded as a strategic partner or anchor country in the foreign policy of many donor countries. This has led to the notion of trilateral co-operation – the donor agency should not only seek to involve and make use of South African resources in the region and beyond, but also to make South Africa a partner in supporting development in third countries and in strengthening pan-African and sub-regional organisations. DFID was probably the first donor agency to elaborate and formulate a strategy giving expression to such objectives. Its 2006 *Southern Africa Regional Plan* outlined the ambitions of working with South Africa as a strategic partner in advancing development in the sub-region.[59]

For the three Scandinavian countries it has also become a core dimension in the efforts to transform their aid relations with South Africa. Expanding co-operation with South Africa in Africa and increased aid funding for this is linked to phasing down development aid to the South African government.

The focus on trilateralism has become particularly evident in relation to peacebuilding and post-conflict reconstruction. The four countries are providing support to various efforts by South African institutions to engage in this area. It is most evident in the Great Lakes Region (DR Congo, Rwanda and Burundi) where all four countries are supporting a range of activities implemented by South African government departments and agencies. Typically this has involved financial support for South African institutions to assist counterpart institutions in third countries in carrying out tasks – from organising elections, to restructuring the public service and strengthening the capacity of the police force.

The current extent of trilateral co-operation between South Africa and the four countries is however, limited. With few exceptions it is mostly ad hoc with limited long-term contributions. It is also noteworthy that significant funding from these four countries in this area is channelled not to South African government institutions but to South African or South Africa-based NGOs. Norway, in particular, has a large proportion of its support going directly to two South African NGOs (mainly ISS, but also Accord). In Burundi, Norway is currently exploring how a possible support to Accord can assist South Africa's peacebuilding activities in the country. Norway is currently chairing the Burundi-panel in the UN Peacebuilding Commission and is keen to expand its engagement.

South Africa, on its side, has generally responded positively to such invitations. With the exception of the co-operation on policing in Rwanda (see below) this has been confined to receiving financial support for activities in third countries. The Treasury in co-operation with the Department of Foreign Affairs has also developed a draft policy framework for trilateral co-operation in Africa between South Africa and their development partners.[60] A key feature of this framework is the strong emphasis on the Paris principles, aid effective-

[59] See DFID, *Southern Africa Regional Plan*, London: DFID 2006 (available from www.dfid.gov.uk/pubs/files/southern-africa-regional-plan.pdf.)

[60] The *Draft Framework – Co-operation in Africa between South Africa and Development Partners* is available from the Treasury website www.dcis.gov.za/Documents/Draft_Framework_Tripartite.doc.

ness and ownership by the third party. Based on this framework a proposed Declaration of Intent between South Africa and the Nordic countries concerning future co-operation and partnership in Africa has been formulated.[61]

South Africa has a special fund for co-operation with African countries and regional institutions - the *African Renaissance and International Co-operation Fund* (ARF).[62] This Fund was established through an Act of Parliament in 2000 as a mechanism to foster co-operation with other African countries, to promote good governance, prevent and resolve conflict, advance socio-economic development and integration, and to provide humanitarian assistance and human resource development. It is managed by the Department of Foreign Affairs in co-operation with the National Treasury. Sweden and Norway have explored the possibilities of providing financial support to ARF and to use this as a partnership mechanism for trilateral co-operation.[63] They have, however, de facto concluded that at present the fund is not a suitable facility for this. South Africa is also at an early stage in defining and developing its own instruments for delivering aid to other developing countries. The Government is still to make a decision on the purpose, establishment and location of a possible South African Aid Agency.[64] Both Norway and Sweden are keen to work with South Africa in developing and strengthening their capacity to deliver such aid and have held discussions with the Treasury in South Africa to this effect. By December 2007 a draft business plan had been developed where Norway through Norad committed itself to provide technical assistance to the Treasury and the Department of Foreign Affairs linked to improving its capacity to manage development aid both into and out of South Africa.

3.3.2 Policing: overview of involvement

Support to the South African Police Service (SAPS) and their role in Africa has been a key priority especially for Swedish and Norwegian efforts to work with South Africa in third countries. This is also linked to the emphasis these two countries place on the role of the police and civilian components in peacebuilding operations. However, there are not yet many examples of actual trilateral projects with South Africa in this area. SAPS itself has limited capacity and currently (mid-2007) has around 150 persons deployed outside South Africa's border (mostly in UN and AU operations, but also on secondment to the SADC Secretariat, SARPCCO and others).

Sweden has succeeded in establishing a trilateral project with South Africa in Rwanda, which is widely regarded as a "best practice" model. SAPS and the Swedish National Police Board have entered into a joint project with the Rwandan Police Service. SAPS and the Swedish police co-operate in proving

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[61] This issue was given special attention at the 2006 Annual Consultations between South Africa and the Nordic countries. The Treasury subsequently distributed the draft policy framework on co-operation in Africa which with slight revisions has been developed into a Declaration of Intent between South Africa and the Nordic countries concerning partnership in Africa, under which each country as they find appropriate, could establish separate agreements with South Africa. The proposal from the Nordic countries was submitted to the Department of Foreign Affairs in November 2007.

[62] See also the Department of Foreign Affairs, *Annual Report 2005-2006, African Renaissance and International Co-operation Fund*, Pretoria: DFA 2006 (available from the DFA website, www.dfa.gov.za/department/report_2005–2006/african_renaissance.pdf.)

[63] See also the unpublished assessment of the ARF commissioned by the Norwegian and Swedish embassies, C. Albertyn & M. Ngaara, *Pre-appraisal of possible Swedish and Norwegian Support to the African Renaissance and International Co-operation Fund (ARF)*, 10 November 2006 (draft).

[64] The issue was first aired publicly in an ANC discussion document on international policy released in March 2007. The document *inter alia* suggested that between 0.2 and 0.5% of GDP should be set aside for development assistance and be managed by a South African International Development Agency to be located either in the National Treasury or in the Department of Foreign Affairs (see page 2 in the international relations document available from www.anc.org.za/ancdocs/policy/2007/discussion/contents.html.) The ANC policy conference in June 2007 endorsed the establishment of such a fund and recommended that it should be located in the Department of Foreign Affairs (see www.anc.org.za/ancdocs/policy/2007/conference/international.pdf).

training services to their colleagues in Rwanda (SAPS and the Swedish police each take responsibility for two modules in a training programme). Sweden provides the necessary financial support while South Africa provides training personnel at its own cost.

This joint co-operation in Rwanda emerged out of a longstanding institutional co-operation between Sweden and South Africa. The co-operation was established in 1999. It is currently in its third and final phase (which expires in 2009).[65] The co-operation has revolved around support to training and capacity building in South Africa, but significantly it has also included training by SAPS personnel to the Swedish police in Sweden (mainly on gender issues). The co-operation has been considered beneficial to both parties with learning going both ways; there was a strong ownership by SAPS right from the start; the co-operation was supported by top management on both sides; and the Embassy played an important and crucial role in facilitating the co-operation. Both parties now feel that as aid-funded co-operation is coming to an end, trilateral co-operation in third countries is a good way to continue co-operation.

SAPS have also encouraged the Swedish police to join them in their work with the police in DRC, but Sweden has been reluctant to do so because of its own limited capacity. SAPS' support to policing in the DRC is partly funded by DFID-Kinshasa and also goes beyond training and includes support for security sector reform. SAPS has had limited capacity to engage beyond delivering training courses. DFID has commissioned a South African NGO (IDASA) to help play a facilitating role in their support to the police in the DRC.

Norway has been keen to get the SAPS involved in support to the police in Sudan. This Norwegian initiative – made more than two years ago – may only now be taking off. A MoU between Sudan and South Africa was only signed in 2007. SAPS is expected to send a team to Sudan in late 2007 to assess the feasibility and to prepare a new business plan for this project. So far, the Norwegian contribution to this project has been mainly financial. In addition Norway has for many years been supporting efforts to strengthen the role of the police and civilians in peacekeeping operations in Africa. This has mainly, since the late 1990s, been through the Norwegian *Training for Peace*-programme that works primarily through two South African-based NGOs (ISS and Accord) and is providing training to police agencies and others.[66]

3.3.3 Main findings on aid management

All four donor agencies are putting much emphasis on how to work with South Africa in other African countries. They are all supporting major regional programmes involving South African institutions. This has received added attention with the current plans by the three Scandinavian countries to phase out or scale down bilateral government-to-government development assistance. The new focus on trilateral co-operation has so far led to few projects. However, some observations and challenges emerging from this new emphasis can be made.

The *first* is that although South Africa has strong commitments and resources its ability to deliver is still less than expected. Some of the strongest contributions have been in areas such as financial management, where South Africa can rely on strong institutions and training facilities (like the South African Revenue Services), and also in development of physical infrastructure

[65] See more about the co-operation in F. Hedvall & B. Mazibuko, *What Difference has it made? Review of the Development Co-operation Programme between the South African Police Service and the Swedish National Police Board*, Stockholm: Sida 2005 (*Sida Evaluation 05/14*).

[66] See more about this programme on their website, www.trainingforpeace.org.

(e.g., through the Development Bank of Southern Africa). South Africa is struggling much more in areas involving institutions focusing on service delivery, decentralisation, poverty reduction, or security sector reform and post-conflict reconstruction.

A *second* observation is that South Africa is still struggling to define how it should deliver development support and assistance to other African countries. As an aid receiving country South Africa is very vocal on the Paris Declaration on Aid Effectiveness, but it has not yet developed procedures and mechanisms to ensure that it adheres to the same principles in its own relations with other African countries. South Africa is largely absent from donor-coordinating forums and efforts to improve harmonisation and effectiveness of aid provided in countries where South Africa provides development aid. South Africa's 2007 draft policy framework for co-operation in Africa between South Africa and development partners does, however, provide a solid platform for developing and professionalizing South Africa's capacity to deliver development aid.

Thirdly, South Africa may be classified as an "emerging donor", but it has first and foremost an identity as a developing country wanting to work with other African countries as a partner. It has a broad engagement with African countries with development assistance in most cases being just a small component. In relation to DRC, for example, the majority of South Africa's government departments and numerous government agencies are involved in a range of projects in addition to the private sector and non-state actors. South Africa may be willing to engage with northern donor agencies – and importantly with other South countries such as China, India or Brazil – and to work with them where it is in South Africa's interest to do so, but there is clearly also a wish not to be seen as an instrument for other countries. There also appears to be a growing recognition within some of the donor agencies that South Africa's role as a regional power cannot always be reconciled with development aid interests. As donors they are also concerned that support to South Africa should not reinforce regional imbalances and South Africa's dominant position.

Fourthly, there is a strong trend – evident for all four countries – to subcontract South African or South African based NGOs to implement projects in Africa. This is particularly evident in the peace and security area and has been reinforced by the poor absorption capacity of regional organisations. Strong capacity has been created in a handful of South African NGOs over the past 10 years (and with funding from foreign donor agencies). Some of these NGOs have technical skills and are able to deliver. Their role is important and will continue to be so in the years to come. However, they are no substitute for public institutions and intergovernmental organisations. Putting too much emphasis on NGOs as an alternative to working with African intergovernmental organisations may also lead to tensions between NGOs and these institutions. More importantly, South African NGOs – like the government institutions – are still on a steep learning curve in trying to work outside South Africa. In particular, many of them are still paying insufficient attention to partnerships and capacity building support to NGOs in other countries.[67]

[67] See more on these issues in Elling N. Tjønneland & Nobi Dube, *Aid Effectiveness: Trends and Impacts of Shifting Financial Flows to Civil Society Organisations in Southern Africa*, Midrand: Southern Africa Trust 2007 (this study, together with a shorter policy brief, is available from www.southernafricatrust.org).

South Africa in Africa

- South Africa is an important resource for development in Africa
- South Africa has a strong commitment to Africa but limited capacity to deliver
- South Africa is struggling to develop mechanism and procedures for delivering development aid
- South African NGOs are important implementation channels for northern aid agencies but they are still paying insufficient attention to partnerships and capacity building support to NGOs in other African countries
- Working with South African institutions must be based on the principles for improved aid effectiveness. The recent Nordic effort to develop principles for managing this is an attempt to address these issues.

The *final* lesson from this is that there is much to be gained from engaging more with South Africa on development issues in Africa. There are many important lessons and best practices emerging out of programmes and projects supported by all four donor countries since the mid-1990s. It is crucial to study these experiences when donor countries are moving to a new phase with increased emphasis on working directly with South Africa in Africa in trilateral arrangements. For such trilateral partnerships to work all three partners will have to benefit and contribute. It must be aligned with the principles for aid effectiveness. The recent effort by the Nordic countries to develop principles for working with South Africa in Africa based on the management principles for aid effectiveness is an attempt to address these challenges.

Chapter 4

Conclusion: findings and lessons

In this final chapter the team summarises its findings and lessons emerging from the donor management of aid transformation in South Africa.

4.1.1 Factors influencing aid relations

South Africa is a middle-income country with strong macro-economic foundations and substantial financial resources at its disposal. While aid flows to the country have been large, it has never constituted a significant component of government revenue. Development aid to the country has therefore been justified by the importance of consolidating a new democracy; by the importance of the country for the African continent; and by the "added value" that such aid can bring through contribution to innovation, development of best practices, pilot initiatives, risk-taking, and knowledge development. Above all, development aid to South Africa has also been strongly determined by South Africa's role as a strategic partner for many of donor countries and by the historical relations that have developed between important interest groups in South Africa and in the donor countries.

Such factors were important in influencing the size and direction of the transitional assistance provided by the four donor countries from 1994–1995, in the decision from 1999–2000 of transforming thus to various types of country support programmes, and the decisions from 2002–2003 regarding the continuation or discontinuation of such programmes. Above all it may also have led to a situation where donor agencies have paid limited or no attention to exits when aid interventions and programmes have been planned.

4.1.2 Differences and similarities in donor strategies

Sweden is the only donor country to have formally decided to phase out government-to-government development aid to South Africa and to implement a programme to achieve this. Denmark and Norway are scaling down significantly their aid contributions and are close to the Swedish position but are only now beginning to address the issue of how to phase out development co-operation and phase in new forms of co-operation. The differences between the three Scandinavian countries should however, not be exaggerated. The team is more struck by similarities – they are all moving to a situation characterised by limited and diminishing aid-funding to South Africa. All expect to continue to provide some development aid to South Africa in prioritised areas. They also want to make significant aid-funding available for South African private and public institutions in regional programmes and in third countries.

The Netherlands has had similar debates about phasing out and also made South Africa a temporary partner country (in 1999) and developed aid interventions to this effect but in the end reversed its decision and opted to refocus and scale up bilateral aid. However, new policy guidelines introduced in late 2007 also led to a focus on "broad co-operation" in Dutch development aid to South Africa. This may over time lead to scaling down of the volume of development aid, but South Africa will remain an important ODA recipient for the Netherlands in the short to medium term.

A major difference between these four donor countries is the role they attach to funding institutional co-operation through aid programmes. Sweden and Norway have put much emphasis on facilitating such co-operation through their aid programmes and development co-operation with South Africa. Norway has even made such institutional co-operation one of the three main objectives for its co-operation with South Africa. This contrasts with the Danish and Dutch approaches. They also seek to promote such co-operation, but they have been far more reluctant to fund such partnerships through aid programmes with the South African government.

These differences also carry over into the approach to phasing in new co-operation. For Sweden and Norway a primary focus for broadening co-operation has been to facilitate bilateral political dialogue but above all institutional co-operation between government departments and agencies. Denmark has a much stronger emphasis on business-to-business co-operation. Like Denmark the evolving approach by the Netherlands to broad co-operation, as introduced in late 2007, is more focused on broadening economic relations.

One potential difference between Sweden and Norway is that Sweden tends to emphasise more strongly that they should seek to fund future institutional co-operation through other budget lines while Norway may appear more prepared to make aid funds available for technical assistance and co-operation in priority areas such as energy and environment. However, there may not be much difference in practice.

Another divergence between the three Scandinavian countries may be in the marketing and communication of their positions! Sweden emphasises a clear timeline and a target date for phasing out, while Denmark and Norway operate with a more open-ended exit-period.

4.1.3 Management of phasing out

The team has made a number of observations and findings from the South African case. It must, however, be emphasised that most donor countries are in the early stages of initiating and preparing closures and phasing out country programmes. Only the Swedish case provides any insights into the management of a planned aid transition process with all its sub-processes. The selection of sector cases – education, culture and regional co-operation/policing – also provides some limitations. Therefore, the team has made efforts to collect additional data through interviews and additional project documents on other sector engagements, but no in depth studies of other sectors have been possible.

The *first* important lesson is that phasing out is demanding and time consuming and requires dedicated staff at the Embassy. It is therefore important to maintain sufficient staff levels at the Embassy through-out the phasing out. In the Swedish case a decision was made to begin a process of reducing Sida positions at the Embassy. The Embassy has made efforts to cope with this through transferring management responsibilities for individual programmes to Stockholm and by hiring local staff and consultants to assist. This may work in the South African case, but the team would emphasise that this as a general rule should be avoided.

Phasing out

- Donor management of aid transformation is strongly shaped by overall political considerations and historical ties between the donor country and South Africa. Aid interventions are generally not planned with exit in mind;
- Less attention is spent on managing phasing out. South Africa is assumed to have the required financial resources, skills and commitment to ensure sustainability. Capacity constraints are mainly addressed through a framework of co-operation between institutions in South Africa and donor countries. This is considered to be a channel for providing technical assistance;
- Phasing out is demanding also in the South African case and efforts to reduce Embassy staff in this phase should be avoided;
- Sustainability of aid interventions has mainly been addressed through ensuring government commitment and support and – in the Swedish and Norwegian cases – through efforts to sustain institutional partnerships;
- There is limited attention to civil society in phasing out; and
- Donors phasing out expects that some aid-funding will be made available for South Africa also in the future

Secondly, South Africa may have financial resources, skills and political commitment but unless the phase out is carefully prepared and managed achievements may be lost and sustainability weakened. A main bottleneck in some, but far from all, aid interventions in South Africa, is insufficient capacity in government institutions. This is due to staff shortages in key positions and high staff turn-over in many government departments. It is important that this issue is addressed when closing aid programmes.

Thirdly, we observe that the process of phasing out has followed a "normal" closure – or a 'natural phase out'. Adjustment to time frames and budgets have been allowed if required, but a main principle has been to avoid additional funding. Substantial efforts have been made by the Swedish Embassy in the early part of the phase out period to assist major programmes which struggle with implementation and achievements to complete within agreed timeframes and budget. Sustainability issues have mainly been addressed through the issue of future institutional co-operation between partners in the programme.

Fourthly, a main shortcoming in all efforts to prepare and implement phase out appears to be limited attention to its impacts on NGOs and civil society organisations which are receiving substantial funding from all the four donor countries.

Fifthly, we also note all donor countries implementing or preparing phase out are expecting that some aid-funding will be made available for South Africa also in the future.

Sixthly, phase out of the country support programme tends to be implemented more or less in accordance with a time bound plan. In the Swedish case there is five year plan with a clear deadline. Denmark and Norway are developing similar time frames, but appears to be less focused on a cut-off date. In practice the difference between the three Scandinavian countries should not be overestimated. More open-ended phase outs, however, may run the risk of becoming delayed phase-outs.

4.1.4 Management of phasing in

The wish to maintain strong bilateral relations with South Africa has remained an important objective for most donor countries in their approach to aid transformation, including the four countries examined in this study – Denmark, the Netherlands, Norway and Sweden.

The *first* observation to note is that phasing in new forms of co-operation is generally given far more attention than phasing out in the South African case.

This does not necessarily imply that management of aid programmes are suffering. In the Swedish case – at least before the possible impact of staff reductions at the Embassy – there was capacity to handle both processes adequately. The strong focus on institutional co-operation in the Swedish and Norwegian case has made this easier, since the approach is viewed as central also in broader co-operation.

Phasing in

- Maintaining strong bilateral relation with South Africa is important objective for the four donor countries;
- The four countries have different priorities with stronger focus on institutional co-operation for Sweden and Norway and more emphasis on economic co-operation in the case of the Netherlands and Denmark;
- Funding and institutional capacities are major challenges for the Swedish and Norwegian strategies. The more advanced Swedish efforts have suffered from insufficient policy guidelines and clarities from head offices, the Embassy's efforts have been important and managed with great skills and commitments;
- Consultation and communication with South African development partners and South Africa's instruments for ODA management are important;
- There is a need to also establish and maintain appropriate forums for political and technical dialogue after the phase out of traditional development assistance

Secondly, there are some differences in approaches to phasing in between the four countries. Sweden and Norway have, as noted above, a strong focus on promoting institutional co-operation with South Africa. Denmark and the Netherlands are placing more emphasis on stimulating economic co-operation in their efforts to prepare for broad co-operation.

Thirdly, major challenges for the management of Swedish phase in are linked to uncertainties of future Swedish funding and efforts needed to be in place to ensure quality assurance and support to institutional co-operation. Swedish institutions have a mandate through the Swedish Policy for Global Development to engage in such co-operation, but these institutions do not have dedicated funds for this. The institutional responsibility in Stockholm and the role of Sida is also unclear. Lack of policy guidelines and clarity on these issues has weakened the ambitious Swedish efforts to transform.

Fourthly, all the donors emphasise the importance of consultation and dialogue with South African authorities and programme partners. Sweden has a particularly strong emphasis on stimulating future co-operation through workshops and dialogue with programme partners and stakeholders in South Africa and Sweden.

Fifthly, we note that donor countries are putting much emphasis on the dialogue with South Africa after the phasing out of development aid, but not much effort has gone into exploring how this could be achieved. Bilateral forums for political consultations will be important to achieve this, but the dialogue will also have to include technical issues linked to development challenges, joint co-operation in Africa, and even institutional co-operation and technical assistance. There are limits to how much resources and capacity South Africa can make available for bilateral consultations. Harmonisation and establishment of forums bringing development partners together may therefore continue to be important. South Africa's own instruments for managing aid going into South Africa as well as from South Africa to Africa will be crucial in facilitating this.

4.1.5 Managing trilateral co-operation

Working with South Africa in Africa is expected to feature prominently in future relations between all the four donor countries and South Africa. Substantial aid is likely to flow to South African private and public institutions linked to programmes and projects outside the country. South Africa is an important partner and resource for the region. The renewed focus on peacebuilding in Africa coupled with the efforts to phase out traditional development aid has led to stronger emphasis on working with South Africa, including through trilateral efforts. This applies to all four donor countries.

South Africa welcomes direct financial contributions from development partners in the north. However, South Africa is still in the early stages of developing appropriate policies and practices on how it should deliver development assistance to other African countries, as well as how it should work with other and (northern) donor countries in third countries. South Africa – and this applies to both public institutions and NGOs – may have access to resources and possess technical skills highly relevant for development in other countries, but its professional capacity to deliver and implement is still both uneven and limited.

It is important both to have a good political dialogue with South Africa on developments in Africa and to offer assistance and support to strengthen South Africa's capacity in this area. However, the primary purpose of providing ODA-funds for working with South Africa in Africa must be to improve aid effectiveness in relation to regional programmes or developments in third countries. These principles are also emphasised in the draft proposal for a declaration of intent between the Nordic countries and South Africa on how to co-operate in Africa.

Annex 1
List of people interviewed

Anders J. Rönquist	First Secretary, Deputy Head of Development co-operation, Embassy of Sweden
Dag Sundelin	Counsellor, Head of Development Co-operation, Embassy of Sweden
Anne Ljung	First Secretary, Embassy of Sweden
Ria Schoeman	National Programme Officer, Embassy of Sweden
Kathija Okeke	Chief Education Specialist, Inclusive Education, Department of Education
Melinda Simmons	Director, DFID - Southern Africa
Jeremy Astill-Brown	Regional Conflict Advisor, UK Africa Conflict Prevention Pool
Kate English	Bilateral Programme Manager, DFID – Southern Africa
Victor Ramaema	National Programme Officer, Embassy of Sweden
Max Bjuhr	Minister, Deputy Head of Mission, Embassy of Sweden
Robert S. Kriger	Director, Policy Analysis and Strategy, National Research Foundation
Mala Singh	Deputy National Commissioner, South African Police Service
Johan Koen	South African Police Service
N.N.	South African Police Service
Cas van der Horst	Counsellor, Co-ordinator Development, Head Socio-Economic Co-operation, Royal Netherlands Embassy
Cornelius Hacking	First Secretary, Education Expert, Socio-Economic Co-operation, Royal Netherlands Embassy
N. S. Schoombie	Director: German-speaking and Nordic countries, Department of Foreign Affairs
D. de V du Buisson	Deputy Director: Nordic countries, Department of Foreign Affairs
N.N.	Directorate: UK, Ireland and Benelux countries, Department of Foreign Affairs
Jessica Olausson	Second Secretary, Embassy of Sweden
Mai-Elin Stener	Minister Counsellor, Royal Norwegian Embassy
Helge Stange	Counsellor, Royal Norwegian Embassy
Bjarte Erdal	Counsellor, Royal Norwegian Embassy
Håkon Arald Gulbrandsen	First Secretary, Royal Norwegian Embassy
Gunn Jorid Roset	First Secretary, Royal Norwegian Embassy
Bjørnar Dahl Hotvedt	First Secretary, Royal Norwegian Embassy
Jonathan Diedericks	Programme Officer, Royal Danish Embassy

Guy Lamb	Programme Head, Institute for Security Studies
Penny Vinjevold	Deputy Director General, Further Education and Training, Department of Education
Shaheed Rajie	Chief Director, International Development Co-operation, National Treasury
Elaine Venter	Director, International Development Co-operation, National Treasury
Dan Fredriksen	Ambassador, Royal Danish Embassy
Ulrik Jørgensen	First Secretary, Royal Danish Embassy
Hubert Perr	Counsellor, Development, Delegation of the European Commission
Paul Graham	Director, IDASA
Jackie Cilliers	Director, Institute for Security Studies
Festus B. Aboagye	Programme Head, Training for Peace, Institute for Security Studies
M. Qhobela	Deputy Director General, Higher education, Department of Education
Nhlanhla Ngubane	Programme manager, Skills development, Department of Education
Seelan Naidoo	Chief Executive Officer, National Arts Council
Janneke Strijdonk-Xulu	Mmino coordinator, National Arts Council
Tselane Mokuena	Chief Director: Southern Africa, Department of Foreign Affairs
N.N.	Southern Africa, Department of Foreign Affairs
Dhesigen Naidoo	Deputy Director General, International Co-operation and Resources, Department of Science and Technology
Chris Scheffer	General Manager, Overseas Bilateral Co-operation, Department of Science and Technology
Lisa du Toit	Deputy Director, Development Partnerships, Department of Science and Technology
John Pampallis	Director, Centre for Education Policy Development
Trish Gibbons	Centre for Education Policy Development
Michelle Buchler	Centre for Education Policy Development
Sharmala Naidoo	Chief Director: International Economics, Economic Policy & International Financial Relations, National Treasury
Neil Cole	Chief Director: African Economic Integration, Economic Policy & International Financial Relations, National Treasury
Prathima Garbharran	Deputy Head, Press and Cultural Section, Royal Netherlands Embassy
Sibongile Simelane	Member Joint Committee Swedish Culture Partnership Programme, Department of Trade and Industry, Creative Industries: Craft and Design (telephone interview)
R Jonny Mekoa	Member Joint Committee Swedish Culture Partnership Programme, Music Academy of Gauteng (telephone interview)
Dimitry Martinis	Member Joint Committee Swedish Culture Partnership programme, Culture Map (telephone interview)
Isabelle van Tol	First Secretary, Royal Netherlands Embassy (telephone interview)
Nicky du Plessis	Cultural Radius, Durban (telephone interview)
Gunilla Hesselmark	Sida (Department for Policy and Methods) (telephone interview)

The synthesis team (Anneke Slob and Alf Morten Jerve) also interviewed a number of senior officials at the head offices of the commissioning agencies. This includes

Anne Meldgaard	Africa (AFR), MFA/Danida (Copenhagen)
Dhr. G. Geut	Policy officer South Africa, Ministry of Foreign Affairs (The Hague)
Katja Nordgaard	Director MFA and former Minister Counsellor, Norwegian Embassy in Pretoria (Oslo)
Helge Stange	Norad (Oslo)
Agnete Eriksen	Norad, Evaluation Department (Oslo)

Berit Fladby	Ministry of Foreign Affairs (Oslo)
Lars Ekengren	Former Head of Sida/AFRA (Stockholm)
Mikael Elofsson	Ass. Head of Dep. for Finance and Corporate Development, former Head of Africa unit 1999-2003, Country Programme Coordinator 1996-1999, Sida (Stockholm)
Bo Göransson	Former Sida Director General (Stockholm)
Helen Nordenson,	Division Culture and Media, Sida (Stockholm)

Annex 2
Participation at start-up meeting and debriefing

Start-up meeting, Swedish Embassy, 15th August 2007:

Dag Sundelin	Counsellor, Head of Development Co-operation, Embassy of Sweden
Anders J. Rönquist	First Secretary, Deputy Head of Development co-operation, Embassy of Sweden
Anne Ljung	First Secretary, Embassy of Sweden
Ria Schoeman	National Programme Officer, Embassy of Sweden
Victor Ramaema	National Programme Officer, Embassy of Sweden
Helge Stange	Councellor, Royal Norwegian Embassy
Bertha Mokgoro	Project assistant, Royal Norwegian Embassy
Ulrik Jørgensen	First Secretary, Royal Danish Embassy
Cas van der Horst	Counsellor, Co-ordinator Development, Head Socio-Economic Co-operation, Royal Netherlands Embassy
Cornelius Hacking	First Secretary, Education Expert, Socio-Economic Co-operation, Royal Netherlands Embassy
D. de V du Buisson	Deputy Director: Nordic countries, Department of Foreign Affairs
Shaheed Rajie	Chief Director, International Development Co-operation, National Treasury
Elaine Venter	Director, International Development Co-operation, National Treasury
Israel Kidane-Mariam	International Technical Assistant, International Development Co-operation, National Treasury
N.N.	International Development Co-operation, National Treasury
Pundy Pillay	Consultant
Elling N. Tjønneland	Consultant

Debriefing workshop, Swedish Embassy, 31st August 2007:

Lars Johansson	Sida, Evaluation and Internal Audit
Dag Sundelin	Counsellor, Head of Development Co-operation, Embassy of Sweden
Anders J. Rönquist	First Secretary, Deputy Head of Development co-operation, Embassy of Sweden
Anne Ljung	First Secretary, Embassy of Sweden
Marianne Hagen	National Programme Officer, Embassy of Sweden
Åsa Fridh	Second Secretary, Embassy of Sweden

Helge Stange	Councellor, Royal Norwegian Embassy
Bjørnar Hotvedt	First Secretary, Royal Norwegian Embassy
Cornelius Hacking	First Secretary, Education Expert, Socio-Economic Co-operation, Royal Netherlands Embassy
D. de V du Buisson	Deputy Director: Nordic countries, Department of Foreign Affairs
Israel Kidane-Mariam	International Technical Assistant, International Development Co-operation, National Treasury
Bokellang Khave	Programme co-ordinator, Royal Danish Embassy
Jan P. Poulsen	Royal Danish Embassy
Anneke Slob	Consultant
Pundy Pillay	Consultant
Elling N. Tjønneland	Consultant

Annex 3
Acronyms and abbreviations

ACCORD	African Centre for the Constructive Resolution of Disputes
ANC	African National Congress
ASGISA	Accelerated Shared Growth Initiative for South Africa
AU	African Union
BNC	Bi-national Commission
CEPD	Centre for Education Policy Development
CEO	Corporate Executive Officer
CFTC	Contract-Financed Technical Co-operation
CIIMDA	Centre for the Indigenous African Instrumental Music and Dance Practices (Research, Education and Performance)
CMI	Chr. Michelsen Institute
DANCED	Danish Co-operation in Environment and Development
DFID	UK Department for International Development
DKK	Danish kroner
DRC	Democratic Republic of Congo
EPC	Education Policy Consortium
EU	European Union
FET	Further Education and Training
GEAR	Growth, Employment and Reconstruction
GDP	Gross Domestic Product
GNP	Gross National Product
HDI	Historically disadvantaged institutions
IDC	International Development Co-operation, National Treasury
ISS	Institute for Security Studies
JIPSA	Joint Initiative for Priority Skills Acquisition
KZN	KwaZulu-Natal
ODA	Official Development Assistance
Mmino	South Africa – Norwegian Education and Music Programme
MoU	Memorandum of Understanding
NAC	National Arts Council
NGOs	Non-governmental organisations
NIZA	Netherlands Institute for Southern Africa
NLG	Dutch guilders
NOK	Norwegian kroner

Norad	Norwegian Agency for Development Co-operation
NRF	National Research Foundation
R	Rand
RDP	Reconstruction and Development Programme
RNE	Royal Netherlands Embassy
SA	South Africa
SADC	Southern African Development Community
SANORD	Southern Africa Nordic Centre
SANPAD	South Africa - Netherlands Research Programme on Alternatives in Development
SANTED	South Africa – Norway Tertiary Education Development Programme
SAPS	South African Police Service
SARPCCO	Southern African Regional Police Chiefs Coordinating Organisation
SARS	South African Revenue Service
SDC	Swiss Agency for Development and Co-operation
SEK	Swedish kroner
SESD	Support to Education and Skills Development
Sida	Swedish International Development Co-operation Agency
SSACPP	Swedish-South African Culture Partnership Programme
ToR	Terms of Reference
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children Fund
ZAR	South African Rand

Annex 4
Terms of reference

1. Introduction

The following are the terms of reference for a joint evaluation of country level exit processes in development co-operation. In each of the cases under review it seeks to understand how partner country development activities and partner country development more broadly have been affected by the withdrawal of donor support. The evaluation assesses results in relation to the timing and management of exits and looks at the conduct of exit processes in relation to established models for development co-operation partnership.

The evaluation is sponsored by four countries: Denmark (through the Ministry of Foreign Affairs), the Netherlands (through the Ministry of Foreign Affairs), Norway (through Norad), and Sweden (through Sida). Based on case studies, it looks at wholesale or partial exits by these countries from bilateral government-to-government development co-operation programmes with a number of countries in Africa and Asia – Botswana, Eritrea, India, Malawi, South Africa and another country still to be identified. While some of the exits to be reviewed have been completed, others are ongoing. The evaluation is undertaken for the purpose of mutual learning on an important but largely unexplored set of development issues.

The evaluation is conducted under the guidance of the evaluation departments of the four sponsoring agencies. Sida acts as lead agency in the management of the study.

2. Background

Exits from development co-operation, whether at country, sector, or project level, tend to be complicated and difficult for everyone involved.[68] A standard recipe for minimising exit problems is that the partners should formulate an explicit exit strategy as early as possible in the co-operation process, preferably

[68] In the context of this evaluation the term exit refers to the partial or wholesale cessation of development assistance (funds, material goods, human resources, technical assistance, etc.) provided by an external donor to a country or programme or project within a country. One or both of the development co-operation partners may initiate an exit. Note that by this definition an exit is by no means the same as the ending of all relationships between the development partners. As in the case of South Africa's relationship with Sweden or Norway, the termination of traditional development assistance may go hand in hand with efforts to establish a new type of relationship based on more symmetrical forms of interchange.

at the initial stages of planning and design.[69] It is at this point that mutual expectations are established and the basis for a working relationship created. By clearly spelling out criteria and mechanisms for disengagement, and designing the co-operation with the ending clearly in view, partners can avoid difficulties later on, or so it is argued. Neglect of key questions about when and how the support should be phased out can lead to misunderstandings and is likely to impact adversely on development results.

While often sound in principle this approach to exit may not be easy to apply in practice. Development co-operation initiatives take place under constantly changing conditions and are rarely implemented exactly as intended. As a result the exit strategy formulated at the beginning may have to be revised. At country level the blueprint model may often seem altogether inappropriate. While time limits are sometimes fixed at entry point, they are often deliberately left undefined. In many cases blueprinting the co-operation process would be regarded as outright counterproductive, technically or politically.

In practice, the exit issue is usually managed through a mixture of contractual agreements and additional understandings negotiated on the way. At project and programme levels formal agreements rarely cover more than three to five years, which is often less than the expected life time of an intervention, and at country level there are usually also no binding provisions for a long-term engagement. From a formal point of view the exit option appears to be the default option. At the end of an agreement period the question before the partners is not so much whether they should disengage from the relationship as whether they should formally extend the relationship and enter into a new phase of co-operation.

This arrangement can be seen to contain within itself a strategy for exit whereby the partners agree to proceed in a step-by-step fashion, periodically giving themselves an opportunity to reassess their options. Such a strategy is particularly useful to the donor. While allowing the donor to withdraw from the relationship – or let it lapse - at fairly short notice, it makes the recipient's situation less predictable and more vulnerable than under a long-term agreement. There are barriers to donor exit other than those formalised in contracts, no doubt, but even so the relationship between donor and recipient is an unequal one requiring a great deal of circumspection and trust on both sides.

There are several types of reasons why a donor may exit from a partnership or intervention. At country level the following would seem to be the main ones[70]:

- Mission accomplished. The recipient country has developed to a point where it is no longer considered eligible for development assistance. It has 'graduated'. This does not necessarily mean that the projects or programmes supported by a particular donor have all achieved their goals. As the criteria for eligibility to development assistance are set with reference to country level indicators, projects and programme may still have some way to go

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[69] Following Rogers and Macias, an exit strategy is an explicit plan comprising the following:
- specific criteria for graduation of the supported entity and the termination of support;
- specific and measurable benchmarks for assessing progress towards meeting those criteria;
- identification of actions to be taken to reach the benchmarks and a clear division of responsibilities with regard to those actions;
- a time frame for the intervention, with necessary provisions for flexibility, and
- established mechanisms for periodic assessment of progress towards the criteria for exit and for possible modification of the exit plan.

Rogers, Beatrice L., and Kathy E., Macias. 2004. Program Graduation and Exit Strategies: Title II Program Experiences and Related Research. Food and Nutrition Technical Assistance Project (FANTA). www.fantaproject.org.

[70] For an in-depth review of donor motivations for exit see the preparatory study Review of Donor Principles and Practices for Exit by Claes Lindahl and Lars Ekengren. (http://www.sida.se/exitevaluation)

- Lack of progress: There is a perceived lack of progress toward final or i termediary objectives, or a failure to demonstrate results. The donor decides unilaterally or in consultation with the recipient that prospects for improvement are not good enough.
- Better use of funds: The donor decides that support to a particular country should be discontinued in favour of an alternative use of resources that promises to bring higher rates of return. The donor may or may not be dissatisfied with the country programme selected for exit, although the question of phasing out and exit is of course more likely to be raised with regard to a poorly performing country programme than one that performs better.
- Change of donor priorities or modes of operation: a country may become ineligible for support as the donor organisation revises its policies or changes its modus operandi. For example, the concentration of Dutch development assistance in recent years has resulted in numerous exits from countries as well as projects and programmes within countries.
- Breach of agreement: A donor may decide to exit as a result of its partner failing to honour contractual obligations or mutual commitments, as when a donor country withdraws from co-operation with a government that fails to respect human rights. In cases like this the exit is often not intended to be irrevocable, but is rather a temporary means of influencing partner country behaviour when dialogue does not seem to work.
- The recipient has asked the donor to exit wholly or in part. A prominent recent example is India's request to smaller donors that they direct their support to civil society organisations. There are also cases of governments breaking the relationship with donor countries that are felt to be interfering in domestic affairs.

Regardless of the reasons for exit, disengaging from a county level development co-operation partnership is rarely simple. Even in the case of graduation it can be difficult. For example, there is likely to be a question about the social capital and the local know-how that have been built up over years of co-operation and that may not be transferable to any other country. Should those assets be allowed to rust and disintegrate? Would it not be better to put them to further productive use? After all, in many cases graduation is not quite the same thing as the end of poverty. A country that has graduated may still benefit from support.

Other scenarios are more complex still. For instance, what are the practical implications of unsatisfactory performance? Should the donor withdraw or should he redouble his efforts? In some cases exiting would be the best option, in other cases staying on might be better. Similarly, a lack of respect for human rights on the part of the partner country government may not be a good reason for exit in each and every case. What if maintaining the relationship might better serve the purpose of development? And what about the citizens who would be deprived of support if the donor decided to leave?

The actual phasing out of the engagement is also a challenge, especially where many separate programmes and projects are affected. For each intervention the phasing out may involve the disengagement of staff, the closing down of physical structures, the sale or handing over of vehicles and other assets, the closing of accounts, auditing, transfer of records and so on. Normally there would be both winners and losers, some happy with the outcome, others not. Organisational skill, communicative competence, and goodwill are required on all sides. Ineptly managed the phasing out may undermine what has already been achieved, well managed it may ensure that those results endure.

Although exit is the closing event in any development co-operation process it is not much studied. Every development organisation and, no doubt, every country receiving development assistance has had its own internal debates on exits and exit policy. Yet the conclusions from those debates are rarely put on paper and properly analysed for a wider audience. Development agencies and other actors know relatively little about how exit issues are discussed and managed outside their own organisations. As a result they have few opportunities to learn from each other.

The present evaluation aims to provide a remedy to this unsatisfactory state of affairs. It is an opportunity for the sponsoring agencies and their developing country partners to share experiences and learn from each other. Hopefully it will also be found useful in the wider development co-operation community.

Further details on the background of the evaluation, including the preparatory Concept Note and the Review of Donor Principles and Practices for Exit, can be found in the documents posted at the evaluation web site: http://www.sida.se/exitevaluation

3. Purpose

As stated above, the purpose of this evaluation is to facilitate mutual learning on issues of exit from development co-operation partnerships at country level. Although primarily catering for the information needs of its four sponsors, it is also expected to be useful for the developing countries participating in the case studies.

The evaluation deals with two broad issues. One is the importance of the management of country level exit issues for *development effectiveness* and *sustainability.*[71] In each of the cases reviewed, it seeks to understand how the results of supported development activities – outputs, outcomes, and (as far as possible) impacts – have been affected by the exit. As the activities supported by any particular donor belong to a larger programme of the host country government, it also considers how the exit may influence partner country development more broadly.

The second main issue to be considered by the evaluation is about country level exit and the *management of development partnerships*. Here the main question is whether the exit practices recorded in the case studies are consistent with established principles of partnership and mutuality in development co-operation, and, if not, what the remedies might be.

As it is generally assumed that a well-functioning partnership with rights and obligations clearly defined on both sides is conducive to good development results, the two issues are clearly interconnected. However they are not identical. The issue of adherence to partnership agreements and values goes well beyond the development effectiveness issue. Similarly, the issue of the influence of exit practices on development results is in its own way broader than the partnership issue. In the one case we look at partnership as a principle to be honoured in its own right, in the other case we look at it as a means of making development co-operation more effective and more relevant to partner country needs.

[71] Exit management is an inclusive term that refers to all kinds of measures taken to ensure a successful ending of a development co-operation programme. Looking at the exit management process as it unfolds over the entire programme cycle we may distinguish between four principal phases: 1) preparations for exit at the design stage; 2) updating of exit plans during implementation; 3) decision on date and timing of the exit; and 4) the eventual phasing out of the support.

4. Scope and limitations

The evaluation will be based on case studies of country level exits in countries where all the four donors sponsoring the evaluation have had a substantial bilateral development co-operation programme and where one or several of them have exited from this programme, entirely or in part. To facilitate mutual learning, countries where only one or two of the four sponsoring countries have had such a programme have not been included in the study. Had the sponsoring countries been free to select cases solely on the basis of their own particular interests, all of them might well have preferred a slightly different country sample.

The case study sample is not based on any particular model, typology, or theory of exit. However, although it is not likely to be statistically or theoretically representative of a larger universe of exits, it comprises a wide variety of exit experiences and seems well suited for the assessments required by the evaluation. As described below, the sample includes 14 country program exits (complete or partial) and 6 contrasting 'non-exits' in five different countries. Note that the number of exits may increase with the possible addition of still another case study country later on in the evaluation process.

The sample units are exits from bilateral country-level development co-operation programmes. As a country level programme consists of support to a number of projects and programmes in different sectors, however, exits from such interventions are also covered by the study. Indeed assessing the impact of exit and exit management on the development results of projects and programmes is an important element of the evaluation.

The evaluation does not cover exits from multilateral programmes and partnerships with civil society organisations. Donors disengaging from a bilateral partnership may reallocate their support to NGOs or to programmes managed by international development banks or other multilateral institutions. Similarly, as in the case of India, a recipient partner country government may request donors to direct their support to NGOs or to channel it through multilateral programmes. Such moves can be important elements of exit strategies and should be examined as such. The evaluation should consider their consequences for the effectiveness of co-operation programmes. However, the evaluation is not concerned with exits from civil society partnerships or multilateral programmes per se.

The evaluation will assess the consequences of country level exit decisions for the results of interventions supported through development co-operation and partner country development more broadly. Recognising that an exit decision can be made for reasons that are extraneous to the development activities affected by the exit, however, it will not pass judgement on the exit decisions themselves. Thus, while the evaluation may well come to the conclusion that a particular exit had unfortunate consequences with regard to local development, it would not attempt to answer the larger question whether it was still justified, all things considered.

Note, finally, that the evaluation covers the period 1996-2006. If required in order to answer the evaluation questions, however, specific management issues might be traced further back in time.

5. Case study countries

It has been agreed that the evaluation should be based on case studies of a limited sample of country level exits. The choice of countries has been much discussed between the partners and representatives of some of the cases study countries have participated in the discussions. The evaluation is intended to cover six case study countries, one of which remains to be identified.[72] The following five countries have been selected for case study.

- *Botswana.* All the four donors phased out ODA in the late 1990s as a result of Botswana's graduation to the status of a Middle Income Country. In a couple of cases the exits occurred was after thirty years of bilateral assistance. Declining needs for development assistance was main reason for exit in all the four cases. At the present time ODA has been completely phased out by all the four donors, but local efforts to deal with the HIV/AIDS crisis are supported by Sweden and Norway.
- *Eritrea.* A country supported by all the four donors after its independence in 1991. Eritrea is today classified as a 'Fragile State' by the OECD/DAC and by the World Bank as a so-called Low Income Country under Stress (LICUS). The Netherlands and Norway are currently providing bilateral support to Eritrea, while Sweden and Denmark have phased out their assistance, in both the cases largely because of differences with the Eritrean government about issues of governance.
- *India.* The first country to receive bilateral development assistance by the four donors -for some of them development co-operation with India goes back to the 1950s. Due to India's rapid economic development and overall high capacity level, exit discussions have been going on among all the four donors since the late 1990s. In 1998 Denmark decided to phase out its bilateral development assistance over a 10-year period. In 2003, however, India decided on its own accord that it would not receive ODA support from 'smaller countries', a group including the four donors sponsoring this evaluation. The government-to-government ODA is currently being phased out by all the four. India is an important case of a developing country taking the lead in the phasing out of development co-operations partnerships.
- *Malawi.* A low-income country where the four donors have taken different approaches over the last decades. Thus, Denmark and the Netherlands have both exited from co-operation, the Netherlands in 1999, because of dissatisfaction with governance and the implementation of a wider concentration policy, and Denmark in 2002 for similar reasons. Norway regards Malawi as one of its seven major partner countries. With Norway as its representative, Sweden has recently entered bilateral co-operation with Malawi.
- *South Africa.* After the fall of the apartheid regime in 1994 South Africa has received government-to-government ODA from several countries. Classified as a Middle Income Country, it is considered by donors as a transitional country, and the ODA has explicitly been intended to facilitate the establishment of democracy. While both Sweden and Norway are in the process of replacing conventional ODA with new forms of co-operation with South Africa, Denmark and the Netherlands stick to the original modality.

[72] Note 2007-03-20: It has now been decided that there will be only five country case studies.

Figure – Details of co-operation and exits from five case countries

	Country characteristics	Denmark	Netherlands	Norway	Sweden
Botswana	Upper Middle Income Country	Co-operation began in 1970s. Exit in 1990s with scaling-down over a decade.	Exit in 1999 due to concentration policy	Co-operation began in 1972. Exit in early 2000s At the present time some HIV/AIDS support.	Co-operation began in 1966. Exit in 1998. Certain on-going programmes in HIV/AIDS.
Eritrea	Low Income Country	Co-operation began in 1993. Exit decision in 2002 due to concentration/ poor governance: Phase out over 3 years until 2005	Co-operation began in 1993. On-going co-operation. One of the current 36 partner countries.	Co-operation began in 1992. On-going co-operation. One of Norway's 18 'other partner countries'.	Co-operation began in 1992–1993. Phase out since late 1990s. Minor projects still on-going
India	Low Income Country	Partner country since 1960s. Denmark decided to exit in 1998, while India triggered exit 2003. Denmark decided to start a 10-year phase out in 1998, while India triggered exit in 2003. Co-operation phase-out completed in 2005.	Co-operation since 1962. Partner country also included in 2003. India triggered exit in 2003 Ongoing phase out	Partner country since 1950s. India triggered exit in 2003 – ongoing phase out	Partner country since 1950s. India triggered exit 2003 – ongoing phase out and transformation.
Malawi	Low Income Country	Co-operation since 1960. Assistance reduced in 1991. Partner country status from 1996 until exit in 2002 due to concentration policy and donor dissatisfaction about governance. Phase-out in 4 months.	Exit in 1999 due to concentration Some on-going assistance through partnership with DFID	One of 7 current main partner countries No exit considered	A new major partner country through a delegated partnership' to Norway. No exit considered
South Africa	Upper Middle Income Country, Transitional country since 1994 after the fall of the apartheid regime.	Major transitional programme country support since 1994. On-going co-operation.	One of 36 partner countries in 2003 Exit not yet considered	One of 18 'other partner countries'. Exit ongoing through phase out from transitional assistance	Major support since 1994. and before that , since the 1960's, support to ANC. Exit on-going with phasing over to new forms of co-operation

6. The assignment

The evaluation comprises the following main elements:

- An in-depth analysis of exit processes: how actors in the case study countries and their external development co-operation partners have dealt with exit issues; their policies, strategies, and decision-making processes with regard to exit and partnership; the application of these models in actual cases of planning for exit and management of exit processes; and contextual factors, such as stakeholder interests, that seem to influence exit decisions and behaviour. An assessment of the consistency of practice with policy would be included in this analysis.

- An assessment of the consequences of exits for development results: how the exit has influenced or is likely to influence the results of the affected activities – outputs, outcomes, impacts – as well as more indirect effects. Starting with the real or likely post-exit results of the activities previously supported by the donor or in the process of being phased out, the evaluation seeks to understand how the exit and the way in which it was managed has made a difference to those results.[73] Where relevant for a better understanding of the impact of the exit process the evaluation should trace the management of the exit issue further back in time. This is further explained below.
- A set of evidence-based *lessons* that would be useful for the sponsoring donors and other evaluation stakeholders in their efforts to enhance their ability to deal with exit issues. As stated above, one of the main objectives of the evaluation is to increase our understanding of the many ways in which exit planning and management can support or undermine the intended results of external development support. The lessons will also cover the partnership issue.
- A set of *recommendations* to the organisations sponsoring the evaluation regarding future work on exit policies, exit strategies and exit management practices.

1. Note that the first of the components above covers several layers of policy-making and guidelines. At the highest, most inclusive, level the evaluation should consider the established or emerging 'best practices' with regard to exit management in the development co-operation community at large, including the directives embedded in the Paris Declaration and MDG agenda. At the lowest level it should examine the views expressed in country strategies and other key country level documents of the donors sponsoring the evaluation. There is also a middle level consisting of more general policies on exit among these donors.[74] Questions of consistency and coherence between levels shall be addressed. To what extent are the general policies and principles of each one of the donors well in tune with established international agendas and practices? To what extent are donors' country exit strategies consistent with their own general thinking and policies on exit and issues closely related to exit, such as partnership, participation, and accountability?

In each of the cases to be reviewed, the evaluation should describe the deliberations leading up to the exit decision. It should explain the motives for the exit and assess how and to what extent the partner country government and other stakeholders were able to participate in the decision-making or

[6] In some of the cases the exit was completed long ago, in other cases it is still ongoing.

[74] The pre-evaluation study by Ekengren and Lindahl mention in footnote 3 above contains a useful analysis of the donor views at this level.

make their interests heard. Recognizing the importance of predictability for all stakeholders in development co-operation, the evaluation should assess the extent to which provisions for exit had been made earlier in the co-operation process and, consequently, the extent to which stakeholders had been able to makes preparations for the exit when it finally occurred.

Turning to the actual phasing out of the support, the evaluation should tell us both how the planning for that process was done and how established plans were implemented. Was there a clear and mutually accepted scheme for the phasing out and what did it contain? To what extent were partner country stakeholders able to voice their concerns and influence the design of the process? [75] To what extent were the different stakeholder groups satisfied with the outcomes of the process? It is important that the exit process is assessed from a variety of perspectives. What might appear as a successful ending from the point of view of one stakeholder group might look quite different in another perspective.

2. The criteria for assessing the quality of exits can be divided into two groups, one referring to process issues, the other to development results.

The process criteria are derived from the values underpinning the concept of development partnership and other widely accepted principles for the conduct of partners in development co-operation. The following are the criteria to be considered:

- *Legality and respect for contracts.* Was the exit made with due regard to prior contracts and other formal agreements between the partners?
- *Transparency and predictability.* Was the exit conducted in an open well organised manner so that affected actors had a chance to plan and adjust to new the contingencies, and were not taken by surprise. Consistency of policy and action would normally be an important prerequisite for donor predictability
- *Dialogue and mutuality.* Was the exit decision preceded by open discussion between the partners and were the lines of communication kept open during the subsequent phasing out? In case of disagreement and dispute, were opportunities for dialogue exhausted before one of the parties unilaterally decided to withdraw?
- *Due concern for prior investments.* Exits should be planned and conducted in such a way that waste and loss of invested capital is minimized. Donors should consider benefits and costs to partners and beneficiaries as well as benefits and costs to themselves.
- *Due concern for partners' needs for adjustment to post-exit conditions.* Donors should assist partners in making the transition to the post-exit situation. This may affect the timing of the exit decision as well as the exit time-frame. Depending on the circumstances, it may also require technical and financial support of various kinds. Assisting partners in finding new sources of finance and support might be an appropriate action.

With regard to the influence of exits on results a preliminary task is to try and find out what has actually happened in terms of development outcomes and impacts following the exit. The following are the main fact-finding questions with regard to results:

[75] According to the Review of Donor Principles and Practices for Exit by Ekengren and Lindahl stakeholders, not least staff of the donor agencies, have often played a major role in the interpretation of exit policies and decisions, sometimes to the extent that management decisions have been diluted, delayed and counteracted.

- *Sustainability of continuous activities.* What has happened to organisations that lost donor support as a result of the exit? To what extent have such organisations been able to maintain the production of services and other benefits for target groups in the post-exit situation? How did they compensate for the loss of donor support? These questions are obviously not applicable where the activities supported by the exiting donor were completed before or at the same time as the exit.
- *Effects on project activities still in progress.* Here the question is whether projects and time-bound programme activities still in progress at the time of the exit have been brought to a successful conclusion despite the exit, or whether they have been scaled down or prematurely aborted. As in the previous case this is a question that does not apply to activities completed along with the exit.
- *Indirect effects on partner country governance and development management.* While some of the effects of a country level exit are visible in the performance of interventions that previously enjoyed the support of the exiting donor, there may also be effects that are more indirect and remote. The occurrence of such effects should be considered case by case. The general assumption is that the withdrawal of resources will affect budget allocations which in turn may have a more or less significant impact on governance, institutional quality, service delivery, etc.
- *Development impact where the exit is an expression of concern over partner country governance or policy.* Exactly what appears to have been the development effects of a donor country exiting fully or in part from a bilateral government-to-government relationship, perhaps redirecting its support to civil society? Have donor expectations regarding the policy impact of exit proved to be correct?
- *Impact on long-term bilateral exchange.* A donor country may wish to build a new kind of relationship with the recipient country built on commerce, cultural exchange, etc. at the same time as traditional development co-operation is brought to an end. The success or likely success of such efforts should be carefully assessed by the evaluation.

In the fact-finding phase the first thing to be considered is simply whether the disengagement of the donor has prevented the activities covered by the development co-operation programme from running their full course or whether they were in fact completed as originally planned and agreed. In the latter case, the exit would obviously have made no difference to the outcome, except by ruling out the possibility of renewed co-operation. In the former case, however, the exit could well have had an important influence on the results. What the evaluation shall seek to assess is how the recorded results – outputs, outcomes, impacts - are likely to differ from the results that would or might have occurred had the support from the donor not been phased out before the project or programme was completed.

It should obviously not be assumed that every time outcomes are unsatisfactory this is because of the phasing out of donor support or the way that the phasing out was managed. In many cases the main explanation for disappointing results may well lie further back in time. As noted in the Concept Note preceding these terms of reference, if mistakes regarding sustainability and exit are made in the planning of a development co-operation process there may not be much that can be done to correct them later on, except to close down operations and accept the losses.[76] Elements of path dependency are

[76] Exit Strategies – A Concept Note for a Joint Evaluation. Sida. Department for Evaluation and Internal Audit. 2005-04-22. http://www.sida.se/exitevaluation

only to be expected. This should be carefully considered when assessing the development effects of the disengagement.

However, establishing how an exit process has impacted on development results is not yet assessing the quality of that process. A quality assessment must also address the evaluative question whether the identified results should be considered satisfactory in view of available alternative ways of managing the exit process.

The final clause in the sentence above is important. If we cannot think of an alternative exit approach that would have produced better results than those actually recorded we must conclude that the exit was well done, at least in so far as the development results are concerned. If the results would have been better with a different approach, including a different timing, by contrast, we ought to conclude that the exit was not entirely successful.

3. The criteria above are intended to encompass the donor-specific criteria formulated in policy documents and guidelines issued by the four countries sponsoring the evaluation. In the case of the Netherlands the following have been the main exit instructions:

- Exits should be orderly.
- Exits should fulfil legal commitments.
- Wherever possible the Netherlands should assist its partners in finding substitute support from their local government or other donors.
- Exits should not lead to 'destruction of capital'.
- Exits should be carried out within a period of 2–3 years.

Regarded as criteria for evaluation these guidelines are for the most part contained within the list in above. The last one – that exits should be carried out over a period of 2-3 years – is the exception. As it has been adopted as an explicit instruction for Dutch exits in recent years, the evaluation can obviously not ignore it. However, it should not be regarded as an assessment criterion for all the country exits figuring in the study.

None of the remaining donor countries sponsoring the evaluation has formulated a similar set of uniform exit instructions. Exit criteria are often defined ad hoc in relation to the exigencies of a particular situation. Thus, in the context of a series of country exits triggered by a reduction of its aid budget in 2002, Denmark made it a primary exit criterion that on-going contracts should be honoured. In phasing out support to India and Bhutan, however, Denmark also put considerable emphasis on partnership principles and the sustainability of supported organisations and programmes. Sweden in its ongoing exit from development co-operation with South Africa intends to replace traditional development assistance with new forms of co-operation and exchange 'based on mutual interest and joint financing.'

The pre-evaluation Review of Donor Principles and Practices by Ekengren and Lindahl referred to above contains further information on exit guidelines among the four donors behind the evaluation.

7. Methodology

The task of designing an appropriate methodology for the evaluation rests with the consultants. However, the methodology proposed by the consultants must be presented to the evaluation steering group for approval before it is adopted. A preliminary methodology proposal should be included in the tender documents, and a more considered proposal should be presented in the inception report to be delivered to the evaluation steering group two months after the contract for the study has been signed. This procedure will enable the

consultants to take a closer look at opportunities and constraints before deciding how they think that the evaluation research process can and should be designed.

The following few points provide further guidance:

- The four donors sponsoring the evaluation have no methodological preferences other than that the chosen approach should be the best possible one under the circumstances. It would be helpful if the consultants were to explain why the approach favoured by them would produce better answers to the evaluation questions than alternative approaches.
- As in every evaluation, the selected approach will be a compromise between the consultants' desire to produce as solid a study as possible and the constraints of limited resources. To make it possible for the evaluation steering group to assess the proposed methodology the consultants should explain why they believe that the recommended approach represents an optimal use of the resources set aside for the evaluation.
- As noted above, the evaluation should be responsive to the interests and experiences of all the major stakeholder groups involved in the exits under review. The consultants should explain how this requirement would be satisfied by their favoured approach and how a multiplicity of perspectives would be reflected in the evaluation reports. The consultants should also explain how they propose to deal with problems of counterfactual analysis.
- As the evaluation covers a large number of separate exit processes, options for sampling must be considered. While each case of country level disengagement must be covered by the evaluation, a selective approach is required at the level of the projects and programmes included in country level programmes. Consultants are invited to make suggestions for possible selection models in the tender documents. A more elaborate proposal will be included in the inception report.
- The issue of comparability between cases must be addressed. Will it be possible to streamline the evaluation process in such a way that standardised indicators can be applied in data collection across and analysis the board? What would the indicators look like? A discussion about indicators should be included in the tender documents.
- It is one of the advantages of joint evaluations that they allow for comparisons, benchmarking and mutual learning between organisations. In the present evaluation different ways of managing exit processes will be compared. In some of the case study countries it will also be possible to make comparisons between the results of exiting and the results of not exiting. Designing a methodology for this evaluation, the consultant should not ignore this possibility. Given the purpose of the evaluation, what might be the pros and cons of contrasting exits to non-exits?
- To facilitate mutual understanding the evaluation should adhere to the conceptual conventions laid down in the OECD/DAC Evaluation Glossary as far as possible.[77] Readers of the evaluation reports should be explicitly warned of any departure from these conventions.

Tender documents will be assessed against these points.

[77] www.oecd.org

8. Organisation

The evaluation will abide by the quality standards for evaluation currently tested by the OECD/DAC Network for Development Co-operation Evaluation, and it will be organised in such a way that the integrity of the evaluation process and the independence of the evaluators are secured.[78] The following is a brief description of roles and responsibilities.

Steering group. The evaluation will be governed by a steering group composed of representatives of the evaluation departments of the four donor organisations sponsoring the evaluation. The steering group will oversee the evaluation process, and do the following:

- Confirm the terms of reference for the evaluation
- Establish a committee for the evaluation of tenders and confirm a model for the evaluation tender proposed by the committee.
- Confirm the selection of an evaluation team by the tender evaluation committee
- Comment on successive draft reports in relation to the terms of reference for the evaluation and ensure that the reports meet the quality standards set for the evaluation.
- Advise their own agencies and staff on the evaluation as well as help coordinate agency contributions.
- Assist the evaluation manager and the evaluation team leader in organising visits of evaluation team members to donor headquarters.
- Assist the evaluation manager in ensuring that local offices and embassies are adequately informed about the evaluation and requested to assist it as required.
- In collaboration with the evaluation manager organise presentations of the evaluation results, and assist with necessary follow-up of the evaluation.

Evaluation manager. As the evaluation lead agency, Sida shall appoint an evaluation manager to take care of the day-to-day management of the evaluation on behalf of the steering group. The evaluation manager will be responsible for maintaining a continuous dialogue with the evaluation team leader on matters pertaining to the interpretation of the terms of reference and the conduct of the study. The evaluation manager will assist the evaluation team as requested by the team leader and facilitate communication between the evaluation team and evaluation stakeholders. Aided by the steering group the evaluation manager will support the evaluation team in its preparations for field visits.

Reference groups. For each of the case study countries there will be a reference group including partner country representatives as well as members of the donor organisations covered by the study. Acting as advisors, the members of these groups will assist the steering group in ensuring that the country studies are implemented in accordance with the terms of reference and that relevant stakeholder groups are properly consulted.

Evaluation team. The responsibility for conducting the evaluation research and produce an evaluation report that satisfies these terms of reference will rest with a team of externally recruited evaluators. The views and opinions expressed in the evaluation report will be those of the evaluators. They need not

[78] www.oecd.org

coincide with the views of the donor organisations sponsoring the evaluation or other affected persons or organisations.

The following are the main tasks of the evaluation team:

- Carry out the evaluation as per the terms of reference. A work plan should be specified and explained in the tender documents.
- Accept full responsibility for the findings, conclusions and recommendations of the evaluation.
- Report to the steering group as agreed, keep the evaluation manager continuously informed of the progress of the evaluation, co-ordinate the timing of field visits and other key events with the evaluation manager, and seek advice from the evaluation manager when required.
- Provide feedback to local stakeholders at the end of field visits.
- Ensure that stakeholders who have contributed substantially to the evaluation get an opportunity to check the report for accuracy before it is finalised.
- Participate in the dissemination of evaluation results as agreed with the evaluation manager and the steering group.

9. Work plan

It is envisaged that the evaluation will have the following elements and produce the following reports and dissemination activities:

1. Preparation of an inception report. The inception report should include:
- A preliminary desk review of the policy context of the case study country exits to be covered by the evaluation as per section 5 above.
- A further detailed methodological proposal along with an assessment of the technical evaluability of the principal evaluation issues. This proposal will have to be accepted by the steering group before it is adopted.
- A work-plan for the fieldwork of the evaluation, likewise to be agreed with the steering group.

2. The inception report should be submitted to the steering group (through the evaluation manager) within two months after the award of the evaluation contract. The steering group will require two weeks to consider the report. After that they will meet with the evaluation team leader and other representatives of the team to discuss it.
3. Brief visits to donor headquarters would probably be required for the preparation of the inception report. The evaluators might need to get a deeper understanding of general head quarter thinking on exit issues, and they might also have to collect information on the country exits selected for case study. During the inception period the sponsoring donors will assist the evaluators in identifying the projects and programmes phased out or about to be phased out as a result of each one of the case study exits.

4. Field visits to case study countries. Follow-up of the status of projects and programmes in ended country programmes, or programmes in the process of losing support. Further analysis of exit strategies and thinking at embassy level and relevant government entity. Assessment of effects and impact of the exit based on the methodology suggested. Site visits. Interviews with representatives of a wide variety of stakeholder groups. This is the main part of the evaluation, and with several country teams working in parallel it is expected to require at least two months. As underlined above, however, the responsibility for designing this phase of the work rests with the evaluation team.
5. Country workshops for each of the case study countries in conclusion of fieldwork. The purpose of the workshops is to discuss findings and tentative conclusions with relevant partner country representatives and donor field representatives. In each country, the workshop would be hosted by one of the donor embassies.
6. Drafting of country reports. These reports should be submitted to the steering group, the country study reference groups, and other relevant stakeholders for checking their accuracy. As suggested above (section 7) in some of the countries the exit strategies of some of the donors might usefully be contrasted with the non-exit strategies of the remaining ones. As noted, however, the pros and cons of this approach need be further discussed before it is adopted.
7. Drafting of a synthesis report based on a full comparative analysis of the reviewed cases. The synthesis report shall contain lessons learned and recommendations.
8. Workshop at the headquarters of one of the evaluation sponsors for review and discussion of the draft synthesis report.
9. Finalisation of the full set of reports – synthesis report and country studies - and acceptance of the now completed evaluation by the steering group. Discussion between the steering group and the evaluation team about further dissemination activities.

10. Throughout of the evaluation, updating the web page for the exit evaluation (http://www.sida.se/exitevaluation) and invitations of comments to the various draft reports through the web. It is envisaged that all persons consulted shall have access to the web-site. Sida is responsible for keeping web site updated.

10. Composition and qualifications of the evaluation team

The evaluation team should include both international and local consultants. The evaluation should rely on local evaluation capacity whenever feasible, and it should be adequately balanced in terms of gender.

The following are requirements regarding the team leader:

- Extensive experience of managing development co-operation evaluations.
- Advanced knowledge of the substantive issues covered by the evaluation.
- Familiarity with development issues in South Asia and Sub-Saharan Africa
- Advanced skills in writing and communication

The following is required by the team as whole:

- All the members of the team should have previous experience from evaluations of development assistance, as well as a good general understanding of evaluation.
- All the members of the team should be familiar with broader issues of development policies, strategies and aid management.
- One or more of the team members should have a good understanding of the mechanisms of policy making and strategy formulation among the four donor agencies represented in the evaluation.
- One or more or the team members should have expert knowledge of aid modalities, including technical assistance.
- One or more of the team members should have expert knowledge in the areas of public sector management and public sector capacity development.
- The team should be able to address issues related to the cross-cutting issues of gender equity, human rights, democratisation, environment, and HIV/AIDS.
- The team should have an advanced understanding of development issues at national and local levels in the countries involved in case studies.
- All team members must be fluent speakers and writers of English.
- As the evaluation must consult documents written in Swedish, Danish, Norwegian and Dutch, the team must include persons familiar with these languages.[79]

Proposals will be assessed against these requirements.

11. Inputs

While the evaluators will have significant latitude in the design and organisation of their work, it is estimated that the evaluation in its totality will require in the order of 70 person weeks. As already noted, the evaluation will necessitate fairly extensive fieldwork in the case study countries. The need for stakeholder workshops, seminars, feedback meetings, etc. should be considered when planning and budgeting for fieldwork. However, possible dissemination activities after the completion of the study will be covered by a separate budget.

The evaluation will also require consultations and reviews of documents at the four donors' headquarters, i.e. in Copenhagen, the Haag, Oslo and Stockholm. It suggested here that the proposal should be based on one or, perhaps, two such visits per donor country, the first in connection with the writing the inception study, the second after the field visits for the purpose of checking the accuracy findings and seek answers to follow-up questions.

The overall budget for the evaluation shall not exceed EUR 400,000, including reimbursables. Note that this amount is intended cover six country studies, five in the countries mentioned above, and one in a country still to be identified. The cost of the latter study has been provisionally estimated as the average of the costs of the others.

12. Time table

It is anticipated that the evaluation would be put out for Tenders in October 2006 and that the Evaluation Consultant Team to undertake the evaluation will be selected in December 2006 or early January 2008.

[79] It should be recognised that a person fully fluent in any one of the three Nordic languages would to be able to read documents in the other Nordic languages as well.

It is expected that the evaluation process from the inception will to be completed within ten months period to a draft report. After a process of dissemination of the results through workshops, comments by donors and other parties, etc. it is expected that the final full report be ready by the end of March 2008. The tentative time schedule of the evaluation is as follows[80]:

- Closure of contract: March 2007, week 9-10.
- March 2007, week 10. Notification of partner country officials and sponsoring agencies' embassies and other staff.
- Collection of data and documentation: starting following contract closure.
- April 2007. Interviews at donor head quarters. Dates to be provided by consultants as soon as possible.
- May 21, 2007. Presentation of Inception Report at meeting of the Evaluation Steering Group in Copenhagen. The report submitted by the consultant no less than seven working days in advance of the meeting.
- July – September 2007: field visits. Dates for fieldwork and dates for concluding fieldwork workshops to be provided with as little delay as possible.
- October 19, 2007. Delivery of draft country case study reports.
- November 5, 2007. Steering Committee and team leaders meet to discuss the case study reports.
- October-December, 2007. Drafting of synthesis report.
- December 10, 2007. Informal briefing on emerging conclusions with Steering Group in Copenhagen.
- January 20, 2008. Delivery of First Draft Synthesis Report.
- February 5, 2008. Steering Committee meets with team leaders to assess the contents and quality of the First Draft Synthesis Report.
- February 22, 2008. Joint workshop in Stockholm with key stakeholders from the four sponsoring agencies.
- March 10, 2008. Delivery of Second Draft Synthesis Report with final draft country case study reports attached.
- End of March, 2008. Delivery of Final Synthesis Report with final country case study reports attached, all edited for publishing.

13. Appendices

1. Claes Lindahl, Lars Ekengren. Review of Donor Principles and Practices for Exit. (http://www.sida.se/exitevaluation)
2. OECD/DAC Development Evaluation Network. Trial Evaluation Quality Standards. (http//www.oecd.org.)

[80] This time table is a revised version of the original. It was inserted in this document 2007-03-20-

Managing Aid Exit and Transformation

South Africa Country Case Study

Buitenlandse Zaken
Ontwikkelings
samenwerking

Sida

Norad

Danida

Joint Evaluations

1996:1 **The international response to conflict and genocide: lessons from the Rwanda experience: Synthesis Report**

John Eriksson, Howard Adelman, John Borton, Krishna Kumar, Hanne Christensen, Astri Suhrke, David Tardif-Douglin, Stein Villumstad, Lennart Wohlgemuth

Steering Committee of the Joint Evaluation of Emergency Assistance to Rwanda,1996.

1997:1 **Searching for Impact and Methods: NGO Evaluation Synthesis Study.**

Stein-Erik Kruse, Timo Kyllönen, Satu Ojanperä, Roger C. Riddell, Jean-Louis Vielajus

Min of Foreign Affairs Finland, OECD-DAC, Sida, 1997.

1997:2 **Measuring and Managing Results: Lessons for Development Cooperation: Performance Management**

Derek Poate

UNDP/OESP Sida, 1997.

2003:1 **Local Solutions to Global Challenges: Towards Effective Partnership in Basic Education. Final Report. Joint Evaluation of External Support to Basic Education in Developing Countries.**

Ted Freeman, Sheila Dohoo Faure

Netherlands Ministry of Foreign Affairs, CIDA, DFID, Department for Foreign Affairs Ireland, EU, BMZ, JICA, Ministry of Basic Education and Literacy Burkina Faso, Danida, Norad, Sida, UNESCO, UNICEF, World Bank. 2003.

2003:2 **Toward Country-led Development : a Multi-Partner Evaluation of the Comprehensive Development Framework : Synthesis report**

Carol Lancaster, Alison Scott, Laura Kullenberg, Paul Collier, Charles Soludo, Mirafe Marcos, John Eriksson, Alison Scott; Ibrahim Elbadawi; John Randa,

World Bank, OED, CIDA, Danida, Norad, ODI, JICA, Sida, 2003.

2005:1 **Support to Internally Displaced Persons: Learning from Evaluation. Synthesis Report of a Joint Evaluation Programme.**

John Borton, Margie Buchanan Smith, Ralf Otto

Sida, 2005.

2005:2 **Support to Internally Displaced Persons: Learning from Evaluation. Synthesis Report of a Joint Evaluation Programme: Summary Version**

John Borton, Margie Buchanan Smith, Ralf Otto

Sida, 2005.

2005:3 **Humanitarian and Reconstruction Assistance to Afghanistan 2001- 2005: From Denmark, Ireland, the Netherlands, Sweden and the United Kingdom; A Joint Evaluation. Main report**

Danida, Sida, Chr. Michelsen Institute, Copenhagen, DFID, Development Cooperation Ireland, BMZ, 2005.

2005:4 **Humanitarian and Reconstruction Assistance to Afghanistan 2001–2005: From Denmark, Ireland, the Netherlands, Sweden and the United Kingdom; A Joint Evaluation. Summary**

Danida, Sida, Chr. Michelsen Institute, Copenhagen, DFID, Development Cooperation Ireland, BMZ, 2005.

2005:5 **An Independent External Evaluation of the International Fund or Agricultural Development**

Derek Poate, team leader, Charles Parker, Margaret Slettevold …

IFAD, Sida, CIDA, 2005.

2006:1 **Joint Evaluation of the International response to the Indian Ocean tsunami: Synthesis Report**

John Telford, John Cosgrave, contribution Rachel Houghton

Tsunami Evaluation Coalition (TEC) Action aid, AusAID, BMZ CIDA, Cordaid, Danida, Dara, Irish Aid, DFID, FAO, IFRD, Federal Min for Economic Cooperation and Development Germany, JICA, Min des Affaires Étrangères France, Min des Affaires Étrangères Luxembourg, Norad, NZAID, DEZA, Sida, UN, UNDP, UNFPA, Unicef, Usaid, WFP, WHO, World Vision, 2006.

2006:2 Impact of the tsunami response on local and national capacities

Elisabeth Scheper, Arjuna Parakrama, Smruti Patel, contribution Tony Vaux

Tsunami Evaluation Coalition (TEC) Actionaid, AusAID, BMZ, CIDA, Cordaid, Danida, Dara, Irish Aid, DFID, FAO, IFRD, Federal Min for Economic Cooperation and Development Germany, JICA, Min des Affaires Étrangères France, Min des Affaires Étrangères Luxembourg, Norad, NZAID, DEZA, Sida, UN, UNDP, UNFPA, Unicef, Usaid, WFP, WHO, World Vision, 2006.

2006:3 Coordination of International Humanitarian Assistance in Tsunami-affected countries

Jon Bennett, William Bertrand, Clare Harkin, Stanley Samarasinghe, Hemantha Wickramatillake

Tsunami Evaluation Coalition (TEC) Actionaid, AusAID, BMZ, CIDA, Cordaid, Danida, Dara, Irish Aid, DFID, FAO, IFRD, Federal Min for Economic Cooperation and Development Germany, JICA, Min des Affaires Étrangères France, Min des Affaires Étrangères Luxembourg, Norad, NZAID, DEZA, Sida, UN, UNDP, UNFPA, Unicef, Usaid, WFP, WHO, World Vision, 2006.

2006:4 Funding the Tsunami Response: A synthesis of findings

Michael Flint, Hugh Goyder

Tsunami Evaluation Coalition (TEC) Actionaid, AusAID, BMZm CIDA, Cordaid, Danida, Dara, Irish Aid, DFID, FAO, IFRD, Federal Min for Economic Cooperation and Development Germany, JICA, Min des Affaires Étrangères France, Min des Affaires Étrangères Luxembourg, Norad, NZAID, DEZA, Sida, UN, UNDP, UNFPA, Unicef, Usaid, WFP, WHO, World Vision, 2006.

2006:5 Links between relief, rehabilitation and development in the Tsunami response: A synthesis of initial findings

Ian Christoplos

Tsunami Evaluation Coalition (TEC) Actionaid, AusAID, BMZm CIDA, Cordaid, Danida, Dara, Irish Aid, DFID, FAO, IFRD, Federal Min for Economic Cooperation and Development Germany, JICA, Min des Affaires Étrangères France, Min des Affaires Étrangères Luxembourg, Norad, NZAID, DEZA, Sida, UN, UNDP, UNFPA, Unicef, Usaid, WFP, WHO, World Vision, 2006.

2006:6 The role of needs assessment in the Tsunami response – Executive summary

Claude de Ville de Goyet, Lezlie C Morinière

Tsunami Evaluation Coalition (TEC) Actionaid, AusAID, BMZm CIDA, Cordaid, Danida, Dara, Irish Aid, DFID, FAO, IFRD, Federal Min for Economic Cooperation and Development Germany, JICA, Min des Affaires Étrangères France, Min des Affaires Étrangères

Luxembourg, Norad, NZAID, DEZA, Sida, UN, UNDP, UNFPA, Unicef, Usaid, WFP, WHO, World Vision, 2006.

2006:7 Evaluation of Coordination and Complementarity of European Assistance to Local Development: with Reference to the 3C Principles of the Maastricht Treaty

Robert N. LeBlanc and Paul Beaulieu

Sida, Ministry for Foreign Affairs, Austria, Ministry for Foreign Affairs, Department for International Development Cooperation. Belgium, Min. des Affairs étrangères/Direction General de la Cooperation International, France, Department of Foreign Affairs Development Co-operation Division, Ireland and Ministry of Foreign Affairs/Directorate-General for International Cooperation, the Netherlands, 2006.

2007:1 Evaluation of General Budget Support – Note on Approach and Methods. Joint Evaluation of General Budget Support 1994–2004

AFD, DFID, MOFA, NZAID, USAID, AusAID, BMZ, JBIC, NORAD, Danida, SECO, CIDA, JICA, Min of Foreign Affairs Spain, Portuguese Development Cooperation, Sida, 2007.

2007:2 Evaluating Co-ordination, Complementarity and Coherence in EU development policy: a synthesis

Evaluation Services of the European Union, Sida, Ministry for Foreign Affairs, Austria,

Ministry for Foreign Affairs, Department for International Development Cooperation. Belgium, Min. des Affairs étrangères/Direction General de la Cooperation International, France, Department of Foreign Affairs Development Co-operation Division, Ireland and Ministry of Foreign Affairs/Directorate-General for International Cooperation, Netherlands, 2007.

2007:3 Evaluating Democracy Support: Methods and Experiences.

Sida, Department for Evaluation and Internal Audit and International Institute for Democracy and Electoral Assistance (IDEA), 2007.

2007:4 Peer Review Evaluation Function at the World Food

Programme (WFP). Peer Panel Members: Jock Baker, Stefan Dahlgren, Susanne Frueh, Ted Kliest, Zenda Ofir.Advisors to the Panel: Ian Christoplos, Peta Sandison Sida, BMZ, UNEG, WFP, 2007.

2008:1 Managing Aid Exit and Transformation: Lessons from Botswana, Eritrea, India, Malawi and South Africa: Synthesis Report

Anneke Slob, Alf Morten Jerve

Sida, Netherland's Ministry of Foreign Affairs, Danida and Norad, 2008.

2008:1:1 Managing Aid Exit and Transformation: Summary of a Joint Donor Evaluation

Jesper Heldgaar

Sida, Netherland's Ministry of Foreign Affairs, Danida and Norad, 2008.

2008:1:2 Managing Aid Exit and Transformation: India Country Case Study

Albert de Groot, CK Ramachandran, Anneke Slob, Anja Willemsen, Alf Morten Jerve

Sida, Netherland's Ministry of Foreign Affairs, Danida and Norad, 2008.

2008:1:3 Managing Aid Exit and Transformation: South Africa Country Case Study

Elling N Tjønneland, Pundy Pillay, Anneke Slob, Anje Willemsen, Alf Morten Jerve

Sida, Netherland's Ministry of Foreign Affairs, Danida and Norad, 2008.

2008:1:4 Managing Aid Exit and Transformation: Eritrea Country Case Study

Teferi Michael, Rudy Ooijen, Anneke Slob, Alf Morten Jerve

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2008:1:5 Managing Aid Exit and Transformation: Malawi Country Case Study

Esther van der Meer, Arne Tostensen, Anneke Slob, Alf Morten Jerve

Sida, Netherland's Ministry of Foreign Affairs, Danida and Norad, 2008.

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Charity Kerapeletswe, Jan Isaksen, Anneke Slob, Alf Morten Jerve

2008:2 Evaluation of the Implementation of the Paris Declaration: Phase One Synthesis Report

Bernard Wood, Dorte Kabell, Nansozi Muwanda, Francisco Sagasti

International Reference Group comprising members of the DAC Network on Development Evaluation, 2008.

2008:3 Joint Evaluation of Citizen's Voice and Accountability: Synthesis Report

Alina Rocha Menocal, Bhavna Sharma

Commissioned by Directorate-General for Development Cooperation (Belgium) – DGCD, Danish International Development Assistance – Danida, Federal Ministry for Economic Cooperation and Developmen (Germany) – BMZ, Norwegian Agency for Development Cooperation – Norad, Swedish International Development Cooperation Agency – Sida, Swiss Agency for Development and Cooperation – SDC, Department for International Development – DFID, 2008.

2009:1 Anti-Corruption Approaches: A Literature Review

Arne Disch, Endre Vigeland, Geir Sundet

Commissioned by Asian Development Bank - ADB, Danish International Development Assistance – Danida, Department for International Development - DFID, Norwegian Agency for Development Cooperation – Norad, Swedish Agency for Development Evaluation-SADEV, Swedish International Development Cooperation Agency – Sida, 2009.

2009:2 Public Financial Management Reform Literature Review

Carole Pretorius, Nico Pretorius
(Evaluation Report EV698)

Commissioned by Department for International Development – DFID, Dutch Ministry of Foreign Affairs, Swedish International Development Cooperation Agency – Sida, Canadian International Development Agency – CIDA, African Development Bank – AfDB, 2009.

2009:3 A ripple in development? Long term perspectives on the response to the Indian Ocean Tsunami: A joint follow-up evaluation of the links between relief, rehabilitation and development (LRRD)

Emery Brusset (team leader), Mihir Bhatt, Karen Bjornestad, John Cosgrave, Anne Davies, Adrian Ferf, Yashwant Deshmukh, Joohi Haleem, Silvia Hidalgo, Yulia Immajati, Ramani Jayasundere, Annina Mattsson, Naushan Muhaimin, Adam Pain, Riccardo Polastro, Treena Wu.

Commissioned by LRRD2 Joint Steering Committee, Sida, Norad, Danida, the Netherlands Ministry for Foreign Affairs, CIDA, BAPPENAS, Indonesia; BRR, Indonesia;

Ministry for Plan Implementation, Sri Lanka, Ministry for National Building, Sri Lanka; ISDR, Bangkok; IFRC, Bangkok; CARE International;OCHA; UNICEF, 2009.

2009:3:1 A ripple in development? Document review: Annotated bibliography prepared for the joint follow-up evaluation of the links between relief, rehabilitation and development (LRRD) in responses to the Indian Ocean tsunami

John Cosgrave, with the assistance of: Emery Brusset, Mihir Bhatt, Yashwant Deshmukh, Lucia Fernandez, Yulia Immajati, Ramani Jayasundere, Annina Mattsson, Naushan Muhaimin, Riccardo Polastro

Commissioned by LRRD2 Joint Steering Committee, Sida; Norad; Danida; the Netherlands Ministry for Foreign Affairs; CIDA; BAPPENAS, Indonesia; BRR, Indonesia; Ministry for Plan Implementation, Sri Lanka; Ministry for National Building, Sri Lanka; ISDR, Bangkok; IFRC, Bangkok; CARE International; OCHA; UNICEF, 2009.

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Anne Thomson, Dennis Chiwele, Oliver Saasa, Sam Gibson

Commissioned by Ministry of Foreign Affairs of Denmark – Danida, Swedish International Development Cooperation Agency – Sida, Irish Aid, 2010.

2011:1 Supporting Child Rights – Synthesis of Lessons Learned in Four Countries: Final Report

Arne Tostesen, Hugo Stokke, Sven Trygged, Kate Halvorsen

Commisioned by Swedish International Development Agency – Sida and Norwegian Agency for Development Cooperation – Norad, 2011.

Managing Aid Exit and Transformation
South Africa Country Case Study

Initiated by Sida in cooperation with evaluation departments in Denmark, the Netherlands, and Norway, this is an evaluation the management of donor aid exits and transformation. The Synthesis report is based on country studies of exits and tranformation processes in Botswana, Eritrea, India, Malawi and South Africa. One overall conclusion stands out: systematic exit planning with a focus on the sustainability of development outcomes is the exception rather than the rule. The evaluation ends with a set of recommendations for the formulation of shared international guidelines for aid exits and transformations..

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