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Lage Bergström

NAMIBIA-SWEDEN DEVELOPMENT COOPERATION IN THE AREA OF PUBLIC ADMINISTRATION 1990–2006

Description, analysis and lessons learned

Sida

Namibia – Sweden Development Cooperation in the area of Public Administration 1990–2006

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Author: Lage Bergström.

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SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Address: SE-105 25 Stockholm, Sweden.
Visiting address: Valhallavägen 199.
Phone: +46 (0)8-698 50 00. Fax: +46 (0)8-20 88 64.
www.sida.se sida@sida.se

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Preface

Sweden started co-operation with Namibia directly after its independence from the apartheid regime in South Africa in 1990. One of the three sectors chosen for co-operation was public administration. After the Swedish Government's decision to conclude traditional development co-operation, Sida and its Namibian partners agreed to carry out a process-oriented concluding phase in order to learn from the experience.

The participatory review and evaluation process (PRE) of the Swedish support to public administration in Namibia 1990–2006 has been a valuable summary of an interesting period of co-operation.

The support involved institutional co-operation between Statistics Sweden and the Namibia Central Bureau of Statistics, as well as between the Swedish National Audit Office and the Office of the Auditor-General Namibia. Financial and technical assistance were also provided to the central bank – the Bank of Namibia – and to the Ministry of Finance. A Personnel and Consultancy Fund provided funding for contracting short and long-term specialists to the public sector.

This study focuses on describing, analysing and drawing lessons learned from the co-operation at the Bank of Namibia, the Central Bureau of Statistics and the Office of the Auditor General.

I am especially thankful to the author of the study for the final chapter, Conclusions and Lessons Learned, which takes a sensitive approach in analysing the results of Sida's work within an often complicated and difficult context. It has validity for Sida's work in most countries and regions. I highly recommend it for careful study by everyone interested in institutional development.

Thomas Kjellson
Division for Democratic Governance
Sida, Stockholm

Acknowledgements

This study is made as part of the Swedish-Namibian Participatory Review and Evaluation process in the area of public administration (PRE-PA). As will be explained in the report, the study is based on the information in three Background Papers and project documentation gathered on a DVD, which has been available to the stakeholders involved in the PRE-PA process.

My role has been to analyse the available material from an external, independent position (since I have not been involved in any of the cooperation activities) and compare it with experience from similar cooperation programmes elsewhere.

My thanks to all involved in the PRE-PA process – the Steering Committee, the Namibian partner organisations, the Swedish consultants, the authors of the Background Papers, staff at Sida and the Swedish Embassy in Windhoek. However, for any shortcomings in the report I am alone responsible.

Lage Bergström

Abbreviations

AFROSAI-E	Organisation of Supreme Audit Institutions of English speaking countries of Africa
AG	Auditor General
BoN	Bank of Namibia
CBS	Central Bureau of Statistics (established in 1997 when CSO was discontinued)
CFTC	Contract-Financed Technical Cooperation
CMA	Common Monetary Area
CSO	Central Statistical Office (reorganised in 1997 into CBS)
Danida	Danish International Development Assistance
DFID	Department for International Development (UK's agency for international development)
ESV	Swedish National Financial Management Authority
GRN	Government of the Republic of Namibia
INTOSAI	International Organisation of Supreme Audit Institutions
IMFS	Integrated Management Financial System
IT	Information Technology
LFA	Logical Framework Approach
MoF	Ministry of Finance
NAO	National Audit Office (in the United Kingdom)
NEPRU	Namibia Economic Policy Research Unit
NHIES	National Household Income and Expenditure Survey
NPCS	National Planning Commission Secretariat
OAG	Office of the Auditor General
ODA	Overseas Development Administration (replaced by DFID in 1997)
PAC	Parliamentary Committee on Public Accounts
PC-Fund	Personnel and Consultancy Fund
PIM	Programme Identification Mission
PRE-PA	Participatory Review and Evaluation in the area of Public Administration
SADC	Southern African Development Community
SARB	South African Reserve Bank
SCB	Statistics Sweden
SEK	Swedish Kronor
Sida[1]	Swedish Agency for International Development Cooperation
SNAO	Swedish National Audit Office
SWAPO	South West Africa People's Organisation
TA	Technical Assistance
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund

[1] Before 1995 Sida was called *Swedish International Development Authority,* with the abbreviation in capital letters. In this report the abbreviation Sida is used also for the period 1990–1995.

Executive Summary

Already from the start of the Swedish-Namibian development cooperation the envisaged length of the needed grant funded cooperation was seen as 15 years. Hence, in the Swedish Country Strategy 2004–2008, it was decided that the ongoing grant funded support should be *"phased out in a sustainable way"* and cease in 2008.

In this spirit a *Participatory Review and Evaluation (PRE)* process has been developed. The PRE has been defined as a learning process of stock taking and review against what originally was set out to be achieved but forward looking in order to give impetus to continued development.

A first PRE process was carried out in 2005–2006 for the transport sector. Based on this experience, another PRE in the area of public administration was jointly decided by the National Planning Commission Secretariat (NPCS) and the Embassy of Sweden. A steering committee was formed in March 2007, consisting of one member representing NPCS, one representing the Embassy, and one representing a major Namibian partner, namely the office of the Auditor General (OAG).

The committee decided that two specific areas of cooperation should be subject to detailed analysis, i.e. the development of *national statistical capacity* and the development of *public sector audit capacity.* In addition, information on all cooperation activities in the area of public administration should be gathered and summarised to provide an *overview and background* to the detailed analyses. For this purpose, three consultants were commissioned as researchers/writers to produce three descriptive and analytical documents, so-called *Background Papers.*

In addition, an extensive effort was made at Sida headquarters to identify and gather all relevant documentation (proposals, letters, agreements, mission reports, evaluation reports, etc) on a DVD, which has been made available to stakeholders involved in the PRE-PA process.

In the box below the cooperation is briefly summarised.

Cooperation in the fields of central banking, public sector audit and national statistics

Between 1989 and 2006, Sweden assisted the development process in the Namibian public administration with a financial contribution of some SEK 280 million. The Bank of Namibia (BoN), the Central Bureau of Statistics (CBS) and the Office of the Auditor General (OAG) have been the three major cooperation partners.

Central banking

The Swedish support in the first years after independence was of decisive importance for establishing the Bank of Namibia. In 1995 it was assessed that external financing if the bank was not further required. After 1995 the BoN has been able to continue its development programme and is now fulfilling the functions of a central bank in a satisfactory way.

Since the support to BoN was phased out that long ago, it was not emphasised in the PRE-PA process.

Development of national statistical capacity

Prior to independence, there was only a regional statistics office in Windhoek, collecting data for its head office in Pretoria. The Windhoek office had a staff of six; none of them had any training in statistics. After independence, the Government of Namibia (GRN) recognised the need for an autonomous statistical structure for obtaining updated statistical data. A national statistical office was set up and a joint programme for building institutional capacity was organised with Sida, ODA, UNDP and UNFPA. Extensive surveys were carried out: First a population and housing census (1991) and then a National Household

Income and Expenditure Survey, NHIES (1993–94).

The lack of trained Namibians was however a huge obstacle. Endeavours were made to train locals for the work, but 1996 there were still many vacant posts and the office was heavily dependent on the expatriate TA personnel. However, this first period was quite successful considering the lack of educated statisticians in the country at the time of independence.

In 1997, there was a change of policy on the Namibian side. Instead of continuing the efforts of strengthening an autonomous entity, it was decided that the statistical activities should be integrated into NPCS. A new department of NPCS was created, named the Central Bureau of Statistics (CBS). This caused tensions in the cooperation. As a result, the development activities came to a standstill for some years.

However, contacts between CBS and Sida were kept alive and in 2000 NPCS submitted requests for renewed Swedish support. By then, there had been a change of leadership at NPCS and some steps forward were taken to work out a new policy for the national statistics system. The Namibian requests were focussed on support for a new census (to be carried out 2001) and a new NHIES (to be carried out 2003–04), but also for continued support to develop institutional capacity.

Sida responded positively and two new projects were organised, one for the census and the other for the NHIES. In both cases Statistics Sweden (SCB) was contracted for technical support.

Support for strengthened institutional capacity was first planned to be the priority for the second project. However, in the further planning the urgency of the NHIES overtook the long-term objectives.

As part of the PRE-PA process an assessment of the results was made. It was stated that the support has been of decisive importance in respect of production of statistical data. Together the two censuses and the two NHIESs form a socio-demographic database that is very important for the monitoring of poverty reduction strategies and action plans as well as for follow-up of the millennium development goals.

However, in respect of sustainable institutional capacity the results are very limited. The *Background Paper* concludes that major challenges still face the Central Bureau of Statistics (CBS), such as *"…delays in passing a new Statistics Act, prolonging the declaration of the CBS as an autonomous state agency, limited technical skills, lack of adequate capacity such as data processing, finance and human resources."* Furthermore, the interviews with key stakeholders revealed a concern of the quality of statistical data reported by CBS, in respect of *"integrity, reliability and credibility."*

Development of public sector audit capacity

In 1992, Sida received a request to support the development of the state audit function. An initial study demonstrated clearly that the Office of the Auditor General (OAG) didn't have the capacity needed, e.g. there was a severe shortage of trained staff at all levels. It was decided to organise the support as institutional cooperation between the Swedish National Audit Office (SNAO) and the OAG.

The SNAO composed a project team with four long-term advisers for the period 1994–1998. Most project activities had to do with training, based on a "learning approach" developed by the team. The idea was to combine formal classroom type training with on-the-job learning, thereby applying the theory to actual work.

Another goal was the computerisation of OAG. An IT component of the project provided for phased procurement of hardware and software, as well as training for the OAG staff.

This first phase of the Swedish support was considered very successful. In 1998 it was concluded that in the coming years only some "post-project support" should be provided in order to consolidate the achievements.

It was later discovered that this conclusion was wrong, mainly because of shortcomings in the management structure and the communication practices in the organisation. These problems were clearly described in evaluation workshops and reviews in the second (1999–2003) and third (2004–2006) phase of the support. However, the deficiencies in management performance were never addressed in an effective way.

Despite these problems, it is evident that the OAG has made commendable progress towards auditing in accordance with international standards. But there is still need for continuing theoretical and on-the-job training, particularly for managers at all levels, in audit planning and quality control.

The *Background Paper* emphasizes that there is a number of factors that points favourably towards the OAG's prospects for sustaining the developments achieved and for building further thereon. These factors include improvements in funding and staff resources, availability of adequate office space of good standard, current training structure and improved relations with audit clients.

However, the *Background Paper* also points at certain factors, which could be viewed as risks to sustainability. These include lack of sufficient independence for the Auditor General and continuing delays by the Ministry of Finance in providing financial statements and records for audit.

Based on the *Background Papers,* a *Seminar* (two half-days) was held in Windhoek, 6–7 December 2007. All the main stakeholders in the two areas were invited, i.e. decision makers in government, the private sector and cooperating partner organisations. About 40 participants came to discuss, review and comment on the history and the future work of the OAG and the CBS. The discussions were very open and shed light on several key issues of relevance for better understanding of the present situation and for decisions on the way forward.

After the seminar this report was worked out, focussing on lessons learned of relevance for Sida and other partners in development. Six key issues are highlighted, see section 6:

– *Management matters need special attention.*
  The experience confirms the importance of the management issues to be included in the development process. The management structure, leadership style, internal communication practices, etc, need to be analysed and attended to in order to ensure sustainable improvements.
  An important observation is that TA support sometimes might hide the deficiencies rather than promote changes.

– *How keep focus on learning?*
  Formal training might contribute to organisational capacity, but other supporting factors are needed as well. Emphasis has to be put on the interplay between training and daily work.

– *A holistic perspective is needed.*
  Programmes aiming at institutional capacity open a complex web of dependencies and institutional relationships, which have to be analysed from a holistic perspective. However, the complexity makes it difficult to predict the programme outcomes in advance. Instead it is important to realise that this kind of contributions are part of national dynamic processes, and consequently, the cooperation has to be monitored jointly in steps or phases.

– *How deal with conflicting views?*
  Sida's task as a development partner is to seek to understand the context and through the dialogue try to bring the issues forward. When doing this in the area of capacity development, it is important to include both the functional/rational dimension and the political dimension of the reform process.

– *Programmes for strengthened institutional capacity, or assistance for producing immediate results?*
  It is most important to realise that capacity development is an endogenous process. Developing institutional capacity cannot be engineered from the outside! Hence, when planning for cooperation activities, an important guiding principle should be to look for the possible rather than the desirable, i.e. avoid wishful thinking, but look for realistic options considering the actual circumstances.

– *Imperfect methods for monitoring and evaluation.*
  There is an urgent need for Sida to address the issue of methods for monitoring and evaluation of development programmes aiming at institutional capacity

1 Participatory Review and Evaluation in the Area of Public Administration

Contribute to Sustainable Development

Namibia and Sweden have had a longstanding and close cooperation, which started before independence. In the 1980s Sweden provided humanitarian assistance to Namibians in exile, mainly through the South West Africa People's Organisation (SWAPO). After independence in 1990 the development cooperation relationship was agreed and formalised between the two governments.

The envisaged length of the needed grant funded cooperation was seen as 15 years. Hence, in the Swedish Country Strategy 2004–2008 for cooperation with Namibia[2], it was decided that the ongoing grant funded support should be *"phased out in a sustainable way"* and cease in 2008. It was stated as *"essential that cessation of Swedish support during the strategy period does not undercut previous achievements or investments."* In parallel, efforts should be made to promote new modes of cooperation based on mutual interest.

In this spirit a *Participatory Review and Evaluation (PRE)* process has been adopted instead of a more 'conventional' evaluation. The PRE has been defined as a learning process of stock taking and review against what originally was set out to be achieved (by the cooperation) but forward looking in that it sets out to give impetus to continued development.

A first PRE process was carried out in 2006 for the transport sector cooperation. Based on this experience, the PRE-PA in the area of public administration was decided in March 2007[3].

The underlying idea for the PRE process emphasises the relation between the history, the present and the future: An understanding of the history and rational for the co-operation as well as of the sector and its history is essential for understanding the present situation which in turn forms the basis for looking to the future. This has been translated into three basic undertakings in the PRE process.
It involves collating the overall (historic) picture, carrying out in-depth analysis of key areas of current sustainability concerns (the present) and in seminar form discuss the implications for the future development of the chosen area in Namibia.

Activities Carried Out

The PRE-PA is a joint exercise and this was reflected in the organisation. A Steering Committee was formed in March 2007, consisting of one member representing the National Planning Commission Secretariat (NPCS), one representing the Embassy of Sweden, and one representing a major Namibian partner, namely the Office of the Auditor General (OAG).

The committee decided that two specific areas of cooperation should be subject to detailed analysis, i.e. the development of *national statistical capacity* and the development of *public sector audit capacity*. In addition, information on all cooperation activities in the area of public administration should be gathered and summarised to provide *an overview and background* to the detailed analyses.

For this purpose, three consultants were commissioned as researchers/writers to produce three descriptive and analytical documents:

[2] *"Country strategy for development cooperation. Namibia January 2004–December 2008."* Ministry for Foreign Affairs, Stockholm 2004.

[3] *"Participatory Review and Evaluation, Public administration (PRE-PA)."* National Planning Commission Secretariat & Embassy of Sweden, Windhoek 2007.

(1) A *Background Paper* on the overall history of the cooperation between Namibia and Sweden in the area of public administration.
By *Mr Christoph Schumann*.

(2) A *Background Paper* on the cooperation in the field of statistics.
By *Mr Kelly Nghixulifwa*.

(3) A *Background Paper* on the cooperation in the field of state audit.
By *Mr Zuli Jadavji*.

The three consultants have considerable experience of the Namibian public administration, but have not been directly involved in the Swedish-supported projects (with the exception of Mr Jadavji, who was leader of the team of long-term advisers at the OAG, 1994–1998, and has since been contracted by the OAG for short-term consultancies on several occasions).

In addition, an extensive effort was made by *Ms Sara Holsbrink* at Sida headquarters to identify and gather all relevant documentation (proposals, letters, agreements, mission reports, evaluation reports, etc) on a DVD, which has been made available to stakeholders involved in the PRE-PA process.

Based on this material, a *Seminar* (two half-days) was held in Windhoek, 6–7 December 2007[4]. All the main stakeholders in the two areas were invited, i.e. decision makers in government, the private sector and cooperating partner organisations. About 40 participants came to discuss, review and comment on the history and the future work of the OAG and the CBS. The discussions were very open and shed light on several key issues of relevance for better understanding of the present situation and for decisions on the way forward.

This report is based on the previous PRE-PA work and includes a summary of the cooperation as well as analyses and conclusions. The focus in this report is on lessons learned of relevance for Sida and other partners in development, who are involved in similar cooperation programmes.

2 Overview of the Cooperation

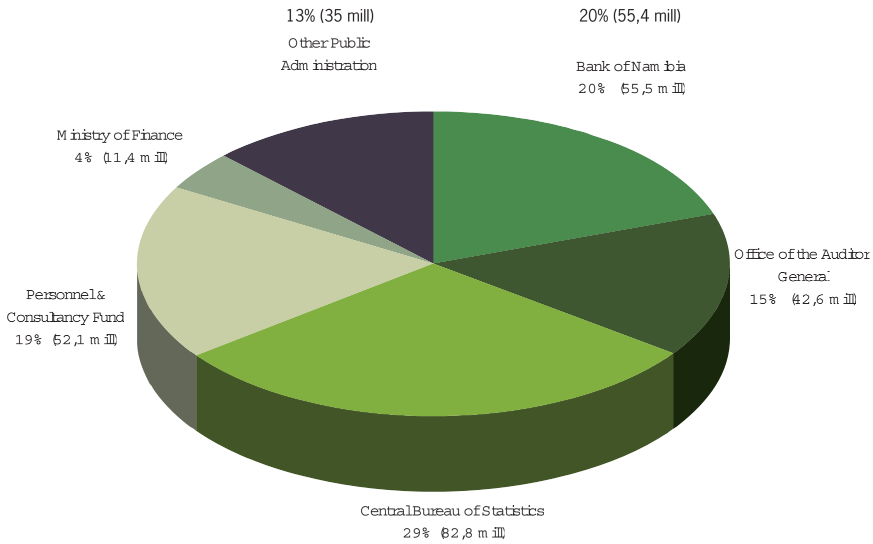
17% of the Total Swedish Support

When the Governments of Namibia and Sweden established a development cooperation relationship in the early 1990s, the originally targeted sectors were education, transport and public administration. Substantial support has also been provided for strengthening civil society as well as for cooperation in the fields of health (in particular combating HIV/AIDS) and environment.

Between 1989 and 2006, Sweden assisted the Namibian development process with a financial contribution in access of SEK 1.6 billion, of which the area of public administration received 17% or some SEK 280 million. This means that actual disbursements in support to public administration averaged SEK 16 million per year.

The Bank of Namibia (BoN), the Central Bureau of Statistics (CBS) and the Office of the Auditor General (OAG) have been the three major partners in the cooperation, see the graph below. The cooperation in these fields – central banking, statistics and state audit – is described in the following sections 3–5.

[4] See documentation of the Seminar in the report: *"Summary of Proceedings on the Participatory Review and Evaluation (PRE) Seminar in the Public Administration Sector held on December 06–07, 2007 at Safari Hotel"*, 2008.



Support through the Personnel & Consultancy Fund have totalled 52,1 mill, while assistance to Ministry of Finance amounts to 11,4 mill. These two areas of cooperation are described below.

The remaining SEK 35 million (labelled "Other public administration" in the graph) have been utilised to support policy development (e.g. on small-scale mining), satellite imaging and mapping, business promotion (e.g. loan to the Namibian Stock Exchange and projects for quality assurance), etc.

Personnel and Consultancy Fund (PC-Fund)

At the time of independence the Governments of Sweden and Namibia realised that Namibia would require assistance in the form of specialised consultancies and expertise as well as for the training of government officials at all levels of seniority. To facilitate the speedy implementation of capacity building initiatives, the Personnel and Consultancy Fund (PC-Fund) was established.

The overall objectives of the PC-Fund was to support the human resources development in the public administration In the 1990s three specific areas for the use of the PC-Fund were agreed on[5], namely to support:

(i) …direct employment of foreign experts, in which cases the PC-Fund was used to cover foreign currency supplements to Swedish and other foreign personnel on a local employment contract, course fees, airline tickets, boarding, audits as well as follow-up services.

(ii) …training activities of different kinds, for instance to cover travelling costs for Namibian participants in Sida's international training programmes[6].
In addition the PC-Fund was also used for structured training programmes (e.g. distance education courses in economics with the University of Namibia and the School of Oriental and African Studies of the University of London), and also to fill gaps within ministerial training budgets and to provide for the needs of individual officials without necessarily addressing the organisational requirements of the employer.

5 See for instance *"Halvårsrapport för biståndet till Namibia per 1992-04-01"*, Development Cooperation Office, Embassy of Sweden, Windhoek. (Only in Swedish.)

6 Until 1995 these training programmes were organised by BITS (Beredningen för internationellt tekniskt-ekonomiskt samarbete), a Swedish agency which was merged in the new Sida in 1995.

(iii)…studies in strategic areas through providing resources for consultancy services. The PC-fund enabled Ministries to address issues that were of an occasional and non-recurrent nature, using international expertise on short-term contracts. Later the PC-Fund has been used for instance to fund studies carried out by the Namibia Economic Policy Research Unit (NEPRU).

When a new four-year Swedish Country Strategy for cooperation with Namibia was decided in 1999[7], there was a change of focus of the PC-Fund. Funding of "gap-filling" foreign experts should decrease, and instead the PC-Fund should more be used for promotion of relationships between Swedish and Namibian organisations and enterprises through so-called Contract-Financed Technical Cooperation (CFTC).

The advantage of the PC-Fund was the so-called "rapid response mechanism", designed to meet the needs of the Namibian Government with a fast reaction time. A request from the Line Ministry to the National Planning Commission Secretariat (NPCS), providing sufficient background information on the requirement and making an undertaking with regard to the counterpart contribution (e.g. payment of per diem, reporting, etc.), usually sufficed to get the process started. The NPCS would endorse the request and forward the relevant documents to the Swedish Embassy. In case all technical and procedural steps were correctly followed, the requests for assistance were granted without much delay. In the later stages of the cooperation relationship, NPCS assumed full responsibility for managing the fund and the disbursements from a dedicated bank account.

The use of the resources under the PC-Fund was not always cost-effective for different reasons[8]. During the first years after Namibia's independence the considerable pool of regional expertise in South Africa could not be tapped and instead more costly consultants from Europe had to be contracted. This was changed when the first democratic elections were held in that country in 1994. But even later the costs for employment of foreign expertise were high, because the topping-up system was related to the UN system for allowances etc.

The use of the PC-Fund was also criticised for not always being focussed on the agreed areas of bilateral cooperation, as illustrated by the two-year support programme (1995/96) to assess the work of the Orthopaedic Technical Services.

In 2007–2008, the PC-Fund was continued through a specific agreement[9], focussing on preparations for further so-called "broader cooperation" between Namibia and Sweden, as well as support to strengthening of capacity in critical areas (e.g. the ongoing trade negotiations between SADC and the European Union).

Support to the Ministry of Finance

Swedish support to the public financial sector in Namibia was in the 1990s focused on the Bank of Namibia (BoN) and the Office of the Auditor General (OAG), see section 3 and 5. In addition, a Swedish long-term advisor was assigned to the Ministry of Finance (MoF) from 1995 (funded through the PC-Fund).

In 1998 a possible extension of the support in the sector was being discussed. Hence a feasibility study was carried out, which identified nine possible areas of further Swedish assistance[10], for instance consolidation of the Integrated Management Financial System (IMFS), tax administration and tax audit, improvement of the debt management and the internal audit functions.

7 *"Country Strategy Namibia, 1 January 1999–31 December 2003"*. Ministry of Foreign Affairs, Stockholm 1999.
8 See the *PRE Background Paper*, by Christoph Schumann, Windhoek, January 2008.
9 *"Support for a Personnel and Consultancy Fund within or relating to the Namibian Government Infrastructure"*, Embassy of Sweden and National Planning Commission, Windhoek 2007.
10 *"Feasibility of Extended Swedish Support to the Ministry of Finance in Namibia"*, by Stefan Sjölander, Stockholm 1998.

A project for improvement of the tax administration was the first to be implemented, and it commenced in 2001. The Namibian tax system originated from the time before independence. Although the MoF had made some modifications of the system, for instance the separation of income tax between husband and wife and the implementation of VAT, the system was assessed unsuitable for macro-economic management and ineffective as a means to address socio-economic problems such as the inequalities in income and wealth. Hence, a Cabinet decision instructed the MoF to review the tax system in its totality and to design and introduce an overall reform programme. The Swedish support aimed at assisting the MoF in this undertaking. The project was funded on a cost-sharing basis. Sweden's contribution was SEK 5,7 million and advisors from the University of Namibia as well as from the Swedish National Tax Board were contracted.

For the other possible areas of cooperation further project implementation missions were organised. In August 2001, an attempt of donor-collaboration between Sweden and Finland commenced with a joint mission that looked into all the areas originally proposed by the feasibility study in 1998. However, the joint mission did not result in any concrete tripartite cooperation programme.

Further consultations between Sida and the MoF were made in 2002/2003 and different project proposals were submitted to Sida. However, in late 2003 Sida took the decision[11] to not approve any support to the MoF on a bilateral level. Sida took this decision knowing that the European Commission had expressed an interest in cooperation with the MoF.

3 The Establishing of the Bank of Namibia

Strengthen Namibia's Monetary Independence

Even before the independence of Namibia in 1990, the new government-to-be of Namibia was concerned with the question of upgrading and transforming what was in essence a South African provincial administration into a full national public service. One of the institutions, which attracted most attention, was that of a central bank. Sweden provided support to SWAPO to investigate the need and the modes for the establishment of such a bank. Hence, when Namibia became independent, an action plan was already prepared and the new government lost little time in starting to build up infrastructure and staffing of the new Bank of Namibia (BoN).

Through a tripartite agreement by the Namibian Government with the UNDP and the IMF a number of advisors were assigned to occupy managerial posts in BoN, including that of Governor. In addition, Sida agreed to contribute on a long-term basis to the development of a well-functioning central state bank. The objective was to strengthen the monetary independence of Namibia as well as to ensure an efficient management of the country's financial institutions, systems and its foreign exchange earnings. The key issue at stake was the strengthening of Namibia's autonomy in relation to South Africa, at that time a somewhat hostile ex-colonial power with a known record of economic destabilisation in the region.

[11] *"Contribution to consultancy missions to investigate possible Swedish support to the Ministry of Finance in Namibia"*. Completion Memo, Sida, 2005.

The Swedish Contribution

As a first step Sida provided a financial expert as an advisor to the bank, *Mr Erik Karlsson*. He had many years of experience from the Swedish Central Bank as well as from being an advisor to the Central Bank of Lesotho. He was appointed Deputy Governor of BoN in August 1990. One year later he was appointed Governor (when the first Governor, an IMF advisor, left).

In October 1990 an agreement[12] with Sida was signed, in which the Swedish contribution was specified:

– Funding for a training manager and a comprehensive staff training programme through a combination of on-the-job and in-service training (where necessary supported by short-term trainers) as well as placement schemes and scholarships for degree-level training abroad.

– Support for computerisation for the effective exercise of central banking functions – short-term specialists to assist in developing a computerisation strategy, acquisition of the necessary equipment and training of staff.

– Provision of capital needed to introduce a new national currency, to be used to pay for the production costs (printing and minting) of the first notes and coins.

Some of the staff of the former Windhoek branch of the South African Reserve Bank (SARB) was seconded to the new Bank of Namibia (BoN) when it commenced its operations. However, by the end of 1991 most of SARB staff took up positions in BoN, while the remainder returned to South Africa.

According to plans, it was projected that the BoN should have Namibian staff at all levels by mid-1994. This was a huge task given the difficulty of recruiting nationals experienced in central banking. But already in January 1991, the BoN had recruited 42 national staff and the extensive training programme was under way. Four years later, the BoN had a total staff of 141 and only a few expatriate staff were remaining, however in key management positions.

In January 1997 the first Namibian Governor was appointed, *Mr Tom K. Alweendo.* He is still Governor and BoN has for many years now been functioning without dependence of expatriate personnel, except for some technical assistance assignments from international experts.

From the start, the BoN was incorporated as a wholly-owned state entity under the tutelage of the Ministry of Finance (MoF) and directed by a Board, on which both executive and non-executive members were represented. In the beginning there were some disagreements and misunderstandings between the MoF, the Board and the BoN concerning the degree of autonomy of the BoN. In particular, in 1991 the Minister of Finance and the first Governor had conflicting views (in respect of the authority of the Minister in relation to the BoN). This conflict was subsequently dissolved and since then the respective roles of the MoF and the BoN in the national financial sector have been respected and maintained in a good way.

For retaining trained/skilled manpower it is important that salaries are competitive with salaries offered by commercial companies. Since BoN is a parastatal, it has been possible to use a salary policy which brings BoN staff "in the middle" of the market salary median, i.e. higher salaries than the public sector in general, but not as high as the best-paying firms. This policy has made it possible to keep the turnover on an acceptable level, especially at a time when the public sector was building new institutions and the indigenous private sector was unfolding.

In the first years of the BoN's operations, the financial support from Sweden was crucial. Other sources of revenue were net interest income from investments of the banks' cash reserves and the Government's

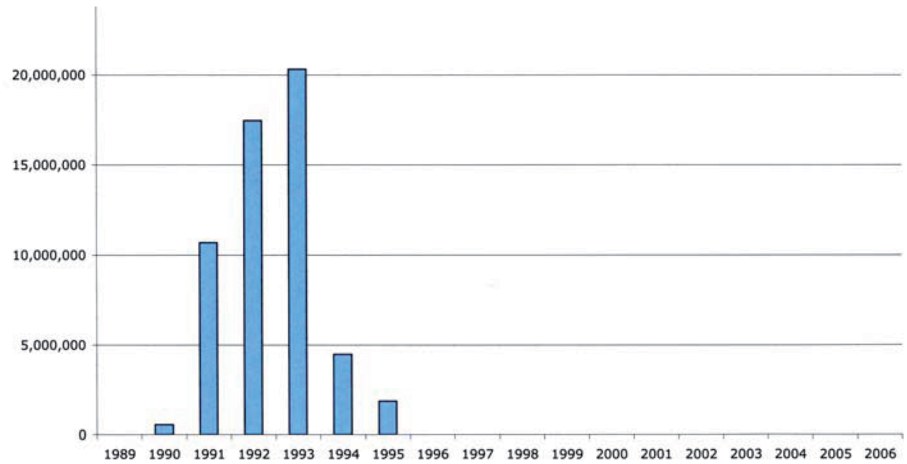
[12] *"Stöd till uppbyggande av Namibias centralbank, Bank of Namibia."* Insatspromemoria, Sida 1990. (Only in Swedish.)

deposits with the BoN. However, when the Namibia Dollar was introduced in September 1993, the BoN got a much better position of generating income through its substitution of South African Rand for the national currency and with its foreign exchange reserves.

Sida assessed on this basis that external financing of the bank's development was not further required. Hence, it was decided that the Swedish support to BoN would be phased out and cease by the end of June 1995. It was recognised that the original aim of the support (to provide Namibia with a fully-fledged, Namibian-staffed, self-sufficient central bank) had not been fully realised at the time. But it was judged that the BoN had come far enough down the road to be able to continue its own development using its own financing.

Four Kinds of Expenditure

Besides technical assistance through UNDP/IMF in 1990–91, Sida was the only donor which provided support to the Bank of Nambia. The total Swedish support amounted to SEK 55,4 million in 1990–1995 as shown in the graph below.



This financial support was spent on four kinds of expenditure:

- technical assistance 12,3 mill
- computerisation 19,1 mill
- training 4,0 mill
- currency financing 20,0 mill

Evaluation in 1995

In 1995, an independent evaluation[13] of the BoN development programme was carried out. The evaluation confirmed that Sida's contribution to the establishing of BoN had been used in a fairly cost-effective way and that no further external funding was needed. At that time, 1995, the BoN was essentially fulfilling its mission as the central bank. However, the evaluation team emphasised that BoN's operations were at a relatively elementary level and that the tasks were limited by Namibia's

[13] *"Evaluation of the Establishing of the Bank of Namibia"*, by Jon A. Solheim & Peter Winai. Sida Evaluation 95/4, 1995.

membership in the "Common Monetary Area", CMA[14]. Consequently, the evaluation team concluded that there was room for improvements in a number of areas. However, the team saw no obstacle for BoN to continue strengthen its capacity in the coming years using its own financial resources.

Subsequent Developments

As part of the PRE process, no additional study on the Swedish support to BoN has been carried out. However, all available information confirms the previous conclusions: The Swedish contribution during 1990–1995 was of decisive importance for establishing the bank and after 1995 the BoN has been able to continue its development programme.

Today, the BoN is fully evolved fulfilling the typical functions of a central bank, and is also responsible for supervising commercial banks, exchange control and combating of money laundering. Namibia, however, remains a member of the CMA, which links the country with an anchor currency, while being able to accumulate adequate foreign exchange reserves. In terms of the CMA agreement the South African Rand remains legal tender in Namibia, for which South Africa pays compensation in lieu of seigniorage forfeited. The Government has agreed that this compensation should accrue to BoN, which has significantly improved the financial position of the Bank.

The Bank of Namibia Act of 1990 was amended in 1997 and a further Amendment Act was passed in 2004. In terms of the latter Act, the Bank is required to perform its functions independently, provided that there are regular consultations between the Minister and the Governor.

In 2007, the IMF carried out a Financial Sector Assessment Programme on Namibia. Among the key findings it was reported[15] that Namibia has one of the most sophisticated and highly developed financial systems in Africa: "The financial system appears healthy, well-run and resilient to plausible macroeconomic shocks." The regulatory and supervisory frameworks for the financial sector, including the performance of Bank of Namibia, were assessed as satisfactory.

4 Development of National Statistical Capacity

The Situation at the Time of Independence

Prior to independence, Namibia was administered as a province of the Republic of South Africa. In respect of statistics, there was only a regional office in Windhoek, which was responsible for collection of basic statistics, for instance prices periodically for the Consumer Price Index. The collected data were sent to Pretoria for technical processing, interpretation and dissemination. The office had a staff of six; none of them had any training in statistics.

At the June 1990 "Donor Conference for Namibia" the Namibian Government indicated a need for an autonomous statistical structure for obtaining the statistical data required for monitoring the performance of economic and institutional structures and for provision of updated data required for economic development.

[14] Namibia is still a member of CMA together with Lesotho, South Africa and Swaziland. The Namibian dollar is at par with the South African rand and there is no immediate prospect of change.

[15] *"Namibia: Financial System Stability Assessment, including Report on the Observance of Standards and Codes on Banking Supervision."* IMF Country Report No 07/83, Washington 2007.

The First Cooperation Period

In 1991 a national statistical office was set up as part of the National Planning Commission Secretariat (NPCS) and consultations with different donors were made in order to establish a joint programme for support to the new organisation[16]. In 1993 a five-year National Statistical Plan was decided. For the plan period support was provided in cooperation with UNDP, Sida, ODA (United Kingdom) and ZCSO (Zimbabwe). The Swedish support was organised as so-called institutional cooperation with Statistics Sweden (SCB) as the Swedish partner.

During this first period major efforts were made to build institutional capacity. A new organisational structure was established, with a total of 98 posts, of which 57 had been filled by the end of 1996. The new office was called the Central Statistical Office (CSO) and functioned as a self-contained entity within the NPCS.

Endeavours were made to recruit, employ and train locals for the work at CSO, but there were still 41 vacant posts in January 1997. TA (technical assistance) specialists were engaged both as "gap-fillers" and as advisors/trainers. There were an UNDP Chief Technical advisor, an ODA economist team leader, UNFPA expertise for the population census, UN Volunteers, a SCB team of advisors for management training, national accounts, the household survey as well as demographic and social statistics. In the years 1992–96 there were 10–13 long-term expatriate advisors at the office. In addition several short-term consultants were engaged for specific missions.

This means that CSO was heavily dependent on the expatriates. In fact, the total volume of the TA personnel in terms of working time exceeded the working time by the national professionals (when leave for training was taken into account).

However, this first period was successful in the way that an office was established with Namibian staff able to perform statistical work when supervised by the expatriate advisors. A data-processing unit was created as an integrated part of the office. Considering the lack of educated statisticians in the country at the time of independence, this was quite an achievement.

This new office had produced statistics of importance for the country: In 1991 a national census was carried out, and in 1993/1994 a household income and expenditure survey. The different activities had been coordinated in a joint effort together with the development partners.

One of the key constraints, however, was that CSO was not in a position to both attract and maintain skilled staff over time. It was also a reality that not enough qualified staff was available in the country to fill the vacant positions.

Standstill in Development Activities in 1997

In 1997, there was a change of policy. Instead of continuing the efforts of strengthening an autonomous statistical office, a committee was established to consider a formal review of the development direction. CSO should no longer be seen as a professional entity, but instead be integrated into NPCS. A new department of NPCS was created, named Central Bureau of Statistics (CBS). The data processing unit (which was before part of the CSO) was transferred to NPCS's IT department.

The reasons behind this change of policy were never communicated clearly to the cooperation partners. As a result, tensions began to build up at the consultative meetings as well as at operational project management levels. As a direct consequence of the latter, the in-house training for statistical staff was

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[16] See for instance: *"Cooperation between Namibia Central Statistical Office, Statistics Sweden/Sida, Zimbabwe Central Statistical Office and United Kingdom Overseas Development Administration. Proposed Plan of Operation"*, June 18 1991", by M. Jambwa, J. Church and L. Lundgren

discontinued, the DFID training advisor left, followed by other expatriate advisors, (including the Swedish management advisor whose contract was terminated).

Several initiatives were taken in order to bridge the communication gap and agree on what kind of steps forward should be taken. For instance, Sida initiated an organisational analysis, based on the so-called Staircase Model[17]. On the Namibian side the NPCS prepared a Results Analysis Report[18], with assessments of the previous cooperation activities.

None of these initiatives helped to create a basis for further cooperation. Hence, when the situation was analysed before the decision on a new Swedish Country Strategy for cooperation with Namibia[19], the previous cooperation was partly seen as a failure, due to *"unplanned and undue interference in the daily activities by the National Planning Commission (NPC). Agreed plans have not been able to carry out, since priorities and plans have been changed by the NPC Secretariat. The support was in practice discontinued in 1997 as a consequence of unsatisfactory results and conflicting opinions about the long-term goals."*

Consequently, in the Swedish Strategy 1999–2003 it was decided that further support should be provided only if (1) consensus was reached in respect of the problem analysis and (2) if a decision on the autonomy of the statistical office was taken.

Contacts were Kept Alive, 1998–2000

Contacts between the Central Bureau of Statistics (CBS) and Sida (and Statistics Sweden) were kept alive through short-term contributions within the areas of national accounts, policy and legal framework as well as management training. However, it was communicated from the Swedish side that no long-term support could be planned until the institutional issues about CBS' autonomy were solved. Instead, the costs for the different short-term contributions were covered by funds from the Personnel and Consultancy Fund (PC-Fund).

In 2000 the NPCS submitted requests for renewed Swedish support. By then, there had been a change of leadership at NPCS and some steps forward were taken to work out a new policy for the national statistics system. Hence, Sida responded positively and decided to continue consultations for a new long-term agreement.

Two Extensive Surveys in 2001 and 2003/04

The importance of a national socio-economic database for planning, implementing, monitoring and evaluating development programmes and projects cannot be over-stressed. Timely, accurate and reliable socio-economic statistical data are needed in order for government to make informed decisions in the process of planning and resource allocation.

Population and Housing Censuses are among the most important sources of statistical data and in fact they serve as the backbone of any national statistics system. Such censuses have been carried out in Namibia since 1921 on 10 years intervals. Keeping in line with the decennial programme of census taking, the second Population and Housing Census after independence was to be carried out in 2001. When the planning for this undertaking started at CBS, it was evident that they could manage only if they got substantial financial and technical support from the donor community. Sweden responded positively as mentioned above. A feasibility study for support to the Census was made in late 2000 and support for

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[17] *"Namibia Central Statistics Office. Assessment of its institutional capacity."* By Peter Winai, Ingalill Colbro & Christoph Schumann, report to Sida, 1997.

[18] *"Results Analysis Report: April 1992 – April 1998; For the co-operation between the Government of Namibia and the Government of Sweden in the Field of Statistics."* Prepared by the National Planning Commission, Windhoek 1998.

[19] *"Landstrategi Namibia, 1 januari 1999 – 31 december 2003"*. Ministry for Foreign Affairs, Stockholm 1999. (Only in Swedish.)

the coming three years was decided in early 2001. Spain, UK, France, EU and UNFPA were also contributing.

A *National Household Income and Expenditure Survey (NHIES)* is another way to provide data needed for development planning. It is a cornerstone in all the economic and social statistics of a country. It provides data to measure income distribution, poverty profiles, nutrition levels, to mention but a few. The first NHIES in Namibia was carried out in 1993/1994 and had been a tool of importance for development planning during the 1990s. This kind of survey is a huge undertaking and it is a reasonable ambition to plan for a new survey every ten year. Hence another NHIES was planned for 2003/2004. Also for this purpose, NPCS/CBS turned to the donor community and asked for support.

Consequently, both the Census and the NHIES have been organised as projects with project leaders from the CBS, extensive donor funding and project staff consisting of TA specialists as well as temporary employed personnel. Sida has been the major cooperation partner and has contracted Statistics Sweden (SCB) to provide TA support. Five long-term advisors were provided (four for the census 2001–2004, and one for the NHIES 2003–2006). In addition a significant number of short-term missions were carried out.

The 2001 Census has been regarded as successful with more than 98% of Namibia's households covered. The enumeration and the post-enumeration as well as the scanning were conducted timely and with high quality. The national report and all 13 regional reports were finalised in 2004 and disseminated to all relevant stakeholders in the regions. A census website (www.npc.gov.na/census) was also created.

Similar positive results are reported in respect of the 2003/2004 NHIES. A main report was completed in 2006 and other supplementary reports on different issues are under preparation.

In its final report[20] Statistics Sweden (SCB) argues that the NHIES was *"characterised by good data collection procedures, speedy data entry procedures and careful editing, good processing and dissemination, all resulting in timely, relevant and accurate statistics. It has yielded estimates/indices by regions, urban/rural and selected socio-economic groups."*

Strengthen the Capacity of CBS

As described above, in 2000 the NPCS submitted requests for renewed Swedish support after some years of standstill in the developments. One request was for carrying out the Population and Housing Census (see above) and the other for strengthening the capacity of CBS.

For further investigation of the capacity development part, Sida set up a mission to identify areas for possible Swedish support and propose how this support could be implemented in order for the CBS to develop its capacity in a sustainable way. The mission proposed[21] a 3-year, two-pronged institutional cooperation project aiming at both strengthening the infrastructure of official statistics in Namibia (legal framework, management, planning) and at introducing new/improved methods and techniques in existing surveys and frameworks.

The mission suggested that priority should be given to the first pillar, arguing that in a long-range perspective this would be the most effective way to further development of CBS.

The mission proposal was adopted both by Sida and the NPCS. However, when this proposal was further discussed, the preparations for the 2003/2004 NHIES (see above) had started. As this kind of survey is methodologically complex and very resource-consuming, the need for immediate assistance in

[20] *"Namibia Household Income and Expenditure Survey (NHIES) Project – Final Report"*, submitted to Sida in August 2006.
[21] *"Proposal for Sida Support to the Namibian Statistical System"*. Special Report NAMSTAT 2001:2, Statistics Sweden.

the management and organisation of the survey was emphasised. The urgency of this need overtook the long-term objectives and a new project proposal[22] was worked out. Then it was stated that the support should concentrate on the 2003/04 NHIES, and that the infrastructural support activities proposed by the 2001 mission should be reduced and tailored to the planning, production, analysis and dissemination of the NHIES. This new project proposal was approved by Sida in early 2003.

Strangely enough, in Sida's Assessment Memo[23] this was described differently, as if enhancing the institutional capacity of CBS was still the focus of the support: *"Besides the carrying out of the survey, the focus of the project has deliberately been put on developing and strengthening the institutional capacity of CBS, with the aim that CBS will be able to deal with future challenges and needs." In the Memo it was further assessed that the project had good prospects to be sustainable: "Since the capacity will be developed at CBS, this will create good opportunities for the investment to yield sustainable results."*

When this Assessment Memo was decided, it was very clear to all parties that the prerequisites for enhancing CBS' institutional capacity was no longer at hand. It was later described in SCB's final report that only *"remnants of the original project"* (proposed by the 2001 mission) remained in the NHIES project. Consequently SCB reports[24] that not much had been achieved in respect of creating sustainable capacity with the CBS:

"Although there now exist CBS staff who are technically competent in various parts of the process of planning and implementing a household survey, there exists no capacity to manage such a survey, nor any statisticians to draw samples or design estimators. To achieve this, better management capability and a fundamentally better-trained staff is needed, backed up by a more supportive institutional structure. The CBS also suffers from not having its own in-house IT unit. It has to rely on staff seconded from the (in itself quite capable) NPCS's IT division. This makes it difficult both to establish satisfactory IT procedures and to train staff systematically in statistical systems and programming work."

However, some achievements are reported in respect of the legal framework (see below), the national accounts (which are compiled and published regularly and with good timeliness) and the introduction of a business register.

The Legislation Issue

In 1992, work on drawing up a new Statistics Act was started. A complete proposal was worked out and submitted to the Cabinet in 1996. But soon after, when the entire development direction was questioned, this work was discontinued. Instead a Statistics Advisory Committee was appointed with the task to review the work done so far. This committee carried out study visits to some SADC member states, organised workshops and tried to define a new approach. It was a slow process and when the committee concluded its work in 2002, there were no new ideas. Instead, the conclusion was that Namibia should adhere to the UN recommendations on the organisation of official statistics and that the UN Handbook should be the principle guide in the re-organisation of the national statistics system in Namibia. This meant that the work on a new Statistics Act could continue in line with what was already proposed in 1996.

During 2003–2006 SCB advisors worked together with CBS management on the legislation issue. This led to the adoption of a National Statistical Policy in 2004 and a finalized Layman's draft of a new Statistics Act, which was approved by the Cabinet in 2006. Further work is needed to transform the draft into a proper Statistics Act, but this has not yet been concluded. However, the Cabinet has ap-

[22] *"A project proposal for statistical capacity enhancement and institutional strengthening focusing on the NHIES at the Central Bureau of Statistics, 1st March 2003–28th February 2006"*. National Planning Commission, Windhoek, 2002.

[23] *"Stöd till genomförande av en hushållsbudgetundersökning I Namibia under perioden 2003–2006."* Bedömningspromemoria, Sida/Deso, 2003-04-14. (Only in Swedish.)

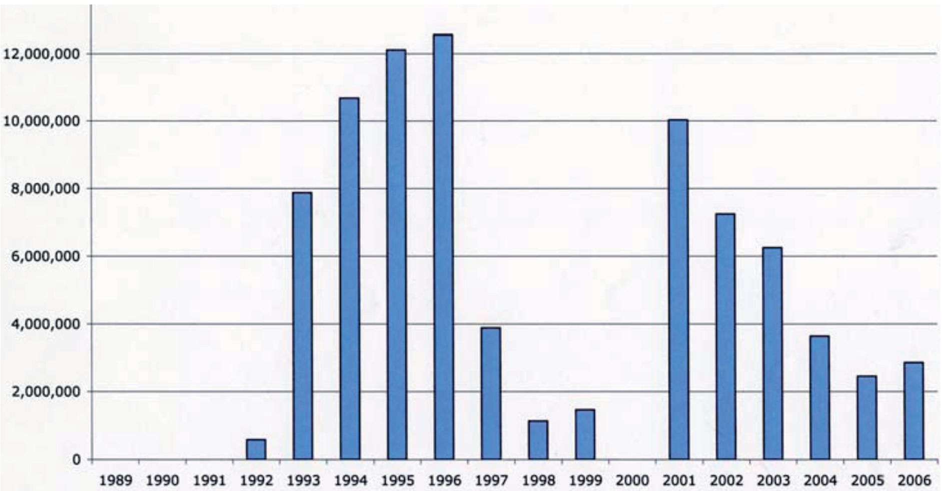
[24] *"Namibia Household Income and Expenditure Survey (NHIES) Project – Final Report"*, submitted to Sida in August 2006.

proved in principle that CBS should be restructured. The process has also been given an impetus by the Presidential pronouncement on the need to urgently create an autonomous statistical office.

Of importance is also the work done to draw up a National Statistical Plan for 2005–2010 (NSP3)[25]. This plan was originally drafted by a SADC-funded mission and was finalised in 2006. Various action plans and lists of tasks implicit in the transformation to a new statistical office have been drafted and discussed as well.

Overview of the Swedish Support

Since Namibia's independence more than SEK 80 million has been contributed by Sweden for the development of a national statistics system. The cooperation has included provision of technical expertise and/or advisors, provision of equipment, performance of specific short- and long-term assignments as well as on the job training of local counterparts. Statistics Sweden (SCB) has been the main cooperation partner over the years.



The graph shows how the funding has been distributed over time. There has been two distinct periods of cooperation, first 1992–1996 focussed on support to the establishment of the Central Statistics Office (CSO). Then a second period 2001–2006 with support mainly to the two big surveys. For some years in between, there was very limited Swedish support[26], due to the policy shift and organisational change.

Results after 16 Years of Cooperation

As part of the PRE-PA process a *Background Paper*[27] on statistics was produced as an input to the seminar with stakeholders in December 2007. According to this paper the support has been of great importance in respect of production of statistical data. However, in respect of sustainable institutional capacity the results are very limited. The report concludes that major challenges still face the Central Bureau of Statistics (CBS) such as *"…delays in passing a new Statistics Act, prolonging the declaration of the CBS as an autonomous state agency, limited technical skills, lack of adequate capacity such as data processing, finance and human resources."*

[25] *"Third National Statistics Plan 2005–2010"*, report from a mission to Central Bureau of Statistics, by Chris Denell & Anders Ljungberg, March 2006.

[26] Costs for some short-term missions in 1999–2000 were covered by the PC-Fund. These disbursements are not included in the graph.

[27] *"Co-operation between Namibia and Sweden in the Field of Statistics – a Background Paper on the PRE-PA"*, by Kelly Nghixulifwa, Mindset Investments Ltd, Windhoek, November 2007.

Furthermore, the interviews with key stakeholders revealed a concern of the quality of statistical data reported by CBS, in respect of *"integrity, reliability and credibility."*

A similar overall assessment was made by a SADC funded evaluation mission[28] in 2004, who concluded that:

(a) the National Statistical System in its present form is unable to meet current and future user information needs,

(b) major statistical reforms are necessary to make the National Statistical System more robust, more effective and efficient, and more responsive to user needs. Organizational and institutional reforms including the revision of the current Statistics Act are needed to make the national Statistical System performance and results-oriented,

(c) major capacity building efforts are needed and changes will have to be made in the way user needs are assessed; data are collected, managed, analyzed, disseminated; and finally how statistical information are used as an input into policy.

The Way Forward

In the *Background Paper* it was made very clear that a condition for further development of the Namibian national statistical system is to restructure CBS into an autonomous self-contained professional entity. This should be based on the already drafted Statistics Act, which defines CBS's mandate and legal status as well as the overall institutional setting for users and producers of statistics in Namibia.

In the *PRE-PA Seminar* in December 2007, this assessment was confirmed by the stakeholders. Different opinions were presented on how this process should be managed, but all agreed in principle to the need of restructuring CBS in line with the drafted Statistics Act.

When the necessary steps for the restructuring of CBS have been taken, the capacity of the new organisational entity has to be strengthened. In this process further cooperation with Statistics Sweden (SCB) should be considered. SCB has long experience of statistical work in the Namibian context and the individual advisors are appreciated by their CBS counterparts. This has been verified in many ways during the PRE-PA process. For instance, in the follow-up activities after the 2001 census, CBS have engaged SCB consultants in short-term missions, using funds from the UNFPA.

5 Development of Public Sector Audit Capacity

Support to the Office of the Auditor General (OAG)

The Auditor General (AG) derives his audit mandate from the Constitution of Namibia and the State Finance Act of 1991. The AG is free from any directions or control by any authority or person, except the President in very specific areas. Hence, the AG is one of the mechanisms in the Constitution aiming at safeguarding democracy and promoting accountability.

In order to carry out the audits, the Office of the Auditor General (OAG) has been established. OAG enjoys professional independence through the AG's legal mandate. However, in respect of funding, appointment of staff, salary levels, career paths etc, the OAG is part of the public sector and as such is dependent on the Government of the day.

In 1992, Sida received a request to support the development of the state audit function. An initial study demonstrated clearly that the AG didn't have the capacity needed to fulfil his statutory duties properly.

[28] *"Report on the Evaluation of the Namibian National Statistical System"*, Southern African Development Community (SADC), 2004.

Means for effective audit work were lacking in different respects. For instance, the OAG suffered a severe staff shortage at all levels. Of the staff available many had lower levels of training than necessary.

Other parts of the state audit system were also assessed with shortcomings, e.g. the internal audits at the ministries and the education system for training of accountants and auditors.

After consultations with the Namibian Government, Sida decided to limit the Swedish support to strengthening the capacity of the OAG. First a feasibility study[29] was carried out. After further consultations it was decided to organise the support as institutional cooperation between the Swedish National Audit Office (SNAO) and the OAG. The project lasted four years, 1994–1998. After this first phase, Sida has provided further support in two more phases, 1999–2003 and 2004–2006.

Throughout the 13-year cooperation period, the OAG has regarded itself as an organisation, which exists to contribute towards *"transparency, accountability and financial discipline in the public sector." The objective of the support has been that the OAG should have the capacity "to plan and perform financial and performance audits efficiently and effectively in accordance with internationally recognised auditing standards and methodology."*

The First Phase, 1994–1998

The Learning Approach

Explained by the Team Leader, *Mr Zuli Jadavji,* in the *"Background Paper on Co-operation between Sweden and the Office of the Auditor General, Namibia",* 2007.

Meaningful learning is not merely memorising facts, but also the development of skills in applying the theoretical knowledge to actual work and to the solving of practical problems. Thus, the agreed arrangement was to combine formal classroom type training with on-the-job learning, thereby applying the theory to actual work.

The on-the-job training was encouraging critical thinking and prompting the staff to identify the best approach to applying the theory to the actual work. Towards the latter stages of the project period, assistance in applying knowledge or in problem solving was provided only if the individual staff member had first made an effort to deal with the issue, but with limited or no success. Even then the assistance given was by prompting critical thinking, leading to the recipient identifying for himself/herself the best approach to dealing with the issue concerned.

This approach was time intensive but produced good dividends by way of increasing self-confidence and self-reliance among the audit staff.

The training was based on international standards for financial and performance audits, as applied in Sweden and in the UK. The project team pointed out that the OAG was not bound to follow these, if alternatives better suited the Namibian circumstances could be identified. This form of dialogue between the partners remained at the forefront of every project activity and paid good dividends.

During the first year of the project, the team developed and presented all formal training in the professional areas. This function was transferred progressively to selected OAG staff, who had a good grasp of the technical knowledge (in financial and performance auditing) and, importantly, had an aptitude conducting training programmes. These staff were sent on "training for trainer" courses and by the end of 1998 the OAG had a strong in-house training team.

However, it was foreseen that, by 1998, technical competence within the OAG would not have reached a level sufficient for all training to be undertaken by its own staff. In order to improve prospects of sustainability, it was decided to establish a network of locally based private sector audit firms and educational institutions, which could assist the OAG with its training functions.

[29] *"Technical Assistance to the Office of the Auditor General, Namibia. Analysis, project definition and terms of reference".* By G Hyltander & D Watkins, September 1993.

The Swedish National Audit Office (SNAO) composed a project team with three long-term advisors in financial audit and one in performance audit (who joined the team a half-year later). None of them were recruited from within the SNAO; the three financial auditors were staff members of the UK National Audit Office (NAO) and the performance auditor worked before with the Swedish Parliamentary Auditors. The main reason for selecting staff from the NAO was the similarity between the Namibian and the UK public sector financial systems, accounting and audit procedures.

During the first months, the advisors' sole task was to familiarise themselves with the OAG's organisation, its approach to financial audits and the quality of outputs. After this inception period the team prepared a detailed plan of operation[30], which was submitted to Sida as a basis for the project work. Even if the intention was to work out this plan in cooperation with management and staff at OAG, in practice their involvement was relatively little. Consequently, most staff members had not understood fully that the project activities would take time from the ongoing audit work. This caused delays and complaints. Hence, it was important to review the project plan in 1996, with the aim that the OAG would develop a much greater sense of ownership and responsibility from taking a greater part in the formulation of the revised plan of operation. This exercise was based on the Logical Framework Approach (LFA) and was attended by almost all OAG managers at senior and middle level.

The review of the project plan generated a lot of enthusiasm and a better understanding among OAG staff about their role and responsibility in implementing the project. Most importantly, there was greater recognition that it was up to staff and management to make best use of the cooperation project in order to achieve the objective.

The revised plan identified 15 expected outputs and included an activity list in respect of each of these outputs, setting out the timing and resource requirement for each activity. Several working groups and committees were established and given responsibilities for the different activities. However, it was soon realised that the timetables and deadlines set for most activities were unrealistic and had to be adjusted.

Most activities had to do with training. All involved were convinced that support must be given to all audit and administration staff at every level and reduced in a planned manner during the latter stage of the project. This approach was possible, because the project team of four was large in relation to the number of OAG staff to be trained. See the box above.

Another focus of the project was the computerisation of OAG. A needs assessment was carried out in 1995, which confirmed that introduction of a computer network would considerably improve the efficiency and effectiveness of the OAG's audit and administration work.

Consequently, the IT component of the project provided for:

– Phased procurement of hardware and software.

– Training for the OAG staff in the use of basic software as well as Computer Assisted Audit Techniques (CAAT) and in audit of computerised financial systems.

– Assisting the OAG to establish a pool of staff skilled in IT and in providing IT training to colleagues.

– Supporting the OAG in its efforts to include adequate provision in its budget for IT maintenance and replacement.

[30] *"Plan of Operations for the institutional co-operation between the Office of the Auditor General of Namibia and the Swedish National Audit Office."* Windhoek, March 1995.

Considerations on the Way Forward, in 1998

The original plan was that the institutional cooperation between the OAG and the SNAO should continue to the end of 1999. But during the course of the project, it was decided to finalise the project one year earlier. This was due to an assessment that the achievements so far were very satisfactory. In particular the training activities were assessed successful. It was also noted with satisfaction that the OAG had succeeded in obtaining extra governmental funding to recruit more staff and for other expenses.

In 1998 a new so-called Country Strategy for cooperation with Namibia was being prepared by Sida and the Swedish Ministry of Foreign Affairs. In respect of public audit, the conclusion for the strategy was that (1) the goals of the cooperation was already achieved, and (2) in the coming years only some "post-project support" should be provided in order to consolidate the achievements.

It was later discovered that this conclusion was wrong, but at the time it was well received by the management of the OAG, who promised that the development activities would continue in the same manner as before. This was worded nicely in a letter from the Auditor General[31]: "*… we would like to ensure that the 'young tree of professional and managerial knowledge and skills' that we have planted with the project's support, will grow into 'a strong tree with firm roots', which can serve Namibia and can withstand foreseen and unforeseen storms.*"

Phasing Out the Project Team

The project team has been heavily involved in the considerations on the way forward. In their internal assessments the team members had began to see their own strength as an obstacle for the organisational development of the OAG. The advisors had been at the office longer than most managers, they had better knowledge of strengths and weaknesses among staff members, and in practice they had got a kind of monopoly in respect of initiatives for improvements at the office. In short, they recognised a danger that a prolonged project period might create an unduly dependency. The team argued that something radical was needed to make the OAG's ownership of the development activities a reality.

Consequently, the project team developed a phasing out strategy for the last period of the team's work at the OAG. According to this strategy, responsibility for training would progressively transfer to the OAG staff and the team's support would focus solely on middle and senior managers, as opposed to all audit staff. The intention was to progressively reduce dependency on the project team, by requiring audit staff to seek advice and guidance from their managers, as opposed to the project team. In order to reinforce this position, the team members left Namibia in a phased manner, in half-year intervals.

This phasing out strategy seemed to work quite well. The problems that appeared in the coming years, had instead to do with the content and methods that was decided for the second phase of the support.

The Second Phase, 1999–2003

A new agreement for the continued Swedish support to the OAG was negotiated in early 1999. According to this agreement[32], responsibility for the planning and implementation of development activities, project management and project financial control rested solely with the OAG. The agreement required the OAG to select the most cost effective sources of technical support, locally, regionally or from elsewhere.

[31] *"Re: Post Project Phase"*, letter from the Auditor General, Dr Fanuel Tjingaete, 20 November 1997.

[32] *"Specific agreement between the Government of Sweden and the Government of Namibia on Swedish Support to the Office of the Auditor general 1999–2001."* Signed 16th of June 1999.

In order to make this change of project management as smooth as possible, the SNAO's team leader stayed until March 1999 and supported the OAG to work out a project plan with expected outputs and planned activities for the first period up to the end of 2001. Training in different skills (including management issues) was on the agenda as well as improvements in respect of office facilities and IT resources. Some activities were identified in which the SNAO was commissioned to provide technical support on a consultant basis. Hence a contract between the OAG and the SNAO was signed in July 1999.

Progress reports were submitted half-yearly. In addition a results analysis report was prepared at an evaluation workshop in October 2002. According to this report[33] considerable improvements had been made, for instance a time recording system had been installed and the registry and library had been computerised. However, most training activities had been theoretical and carried out in a classroom-type model. Not so much had been applied in practice. For instance, a computer system for the registry had been installed, but in practice the search for documents was still made manually (looking in boxes and folders on shelves). On-the-job training (which was supposed to be carried out by managers) had been rare. Overall, the workshop participants stated that there were unsatisfactory staff relations/communication within the office. It was explained that these problems were due to supervisors lacking sufficient training/knowledge in management practices. Other shortcomings were revealed as well, for instance a financial audit manual that should have been developed was not yet completed. Consequently, there was a lack of uniformity in the audit work and audit documentation produced by different audit divisions.

After the evaluation workshop, efforts were made to improve the project management and catch up with the plans. A consultant was hired to take each audit division through the whole audit process as taught in theory beforehand. This resulted in improved uniformity and better quality of the audits. This kind of exercise was recommended to be carried out regularly in the future. Some other lessons learned were also identified:

– Follow-up should be made of objectives, not only if an activity has been carried out or not.

– A proper project management should be established. (Before the project

  had been run on an ad hoc basis with the training committee as the main organiser.)

– Hands-on training events are necessary.

By the end of 2003 it was evident that the target levels had not been reached during the second phase. Hence, a request for further Swedish support was submitted.

The Third and Final Phase, 2004–2006

A third and final phase of Swedish support to the OAG was decided in December 2003[34]. The main expected improvement to be achieved was that the OAG should become *"an efficient organisation, with good cooperation between the audit and administrative staff, resulting in a gradually declining number of complaints about poor cooperation"*.

[33] *"Results Analysis Report on the Institutional Development Project for the Office of The Auditor General of Namibia with Support from the Swedish International Cooperation Agency, 1999–2002"*. Windhoek, 2003.

[34] *"Swedish support to further capacity building at the Office of the Auditor General in Namibia; 2003–2006."* Assessment Memo, 8 December 2003, Sida.

In December 2005, a mid-term review reported[35] about improvements in communication between management and staff. However, the same shortcomings were seen as in the previous phase, in respect of applying into practice the knowledge gained in training courses.

The mid-term review included an assessment of the quality of audits performed by the OAG staff, in comparison to the international auditing standards which it had adopted. The results of these assessments pointed to an urgent need for further improvement in certain key aspects, e.g. audit planning, fieldwork and evaluation of findings. A key observation was that, had audit work been properly reviewed by managers for compliance with audit standards, most of the quality weaknesses would have been identified.

The review noted that the OAG had established good relations with a number of Supreme Audit Institutions (SAIs) in Africa. This had led to the OAG becoming closely involved in the development of training programmes applicable to all participating SAIs.

An overall conclusion of the review was that the OAG had succeeded to a large extent in sustaining certain key developments achieved during the earlier phases of the co-operation project. The report noted for instance that the training structures now had become an integral part of the OAG's organisation.

OAG Cannot Achieve the Overall Aim on its Own

The overall aim for strengthening the capacity of OAG is to enhance *"transparency, accountability and financial discipline in the public sector."* Efficient auditing is a way to assure taxpayers and Parliament that public funds had been properly accounted for and had been used in the most efficient and effective way, to the benefit of the general public and in accordance with Parliament's decisions. However, OAG cannot achieve this overall aim on its own. It also depends on how the Parliament forces the public sector to implement recommendations to improve financial controls and financial management.

The OAG is responsible for the audit of ministries, municipalities and other public accounts (statutory bodies, national funds and others), in total more than one hundred different accounts. A recurrent problem during the cooperation period has been delays in the audits. For instance, OAG received the Central Government's financial statements for 1995/96 six months later than the statutory deadline. Moreover, the extent of errors and inaccuracies in the financial statements received by the OAG resulted in additional audit work having to be performed and more than the usual number of observations being raised in the audit reports. This resulted in additional delays in the continued audit process, creating a significant backlog of audits.

By the end of March 2003, the OAG still had not submitted audit reports on the financial statements of government ministries for 1999/2000. The law required these audit report to be presented to the National Assembly by 31 March 2001. So, the delay was more than two years! The total backlog at that time amounted to 150 financial statements.

In 2004–05 the OAG prioritised the clearance of this backlog and achieved excellent progress in doing so. In November 2005, the National Assembly had been presented with all previous annual audit reports on accounts of Central Government. On local authority accounts the backlog still existed, but it had been considerably reduced.

The underlying reasons behind the delays still exist, i.e. inadequate financial management, poor internal audit and shortcomings in financial reporting. These matters had been alerted by the OAG on different occasions. In 1998–2003, discussions were ongoing between the Ministry of Finance (MoF)

[35] *"Institutional Development Project at the Office of the Auditor general of Namibia with Support from the Swedish International Cooperation Development Agency"*. Mid-term review report, December 2005.

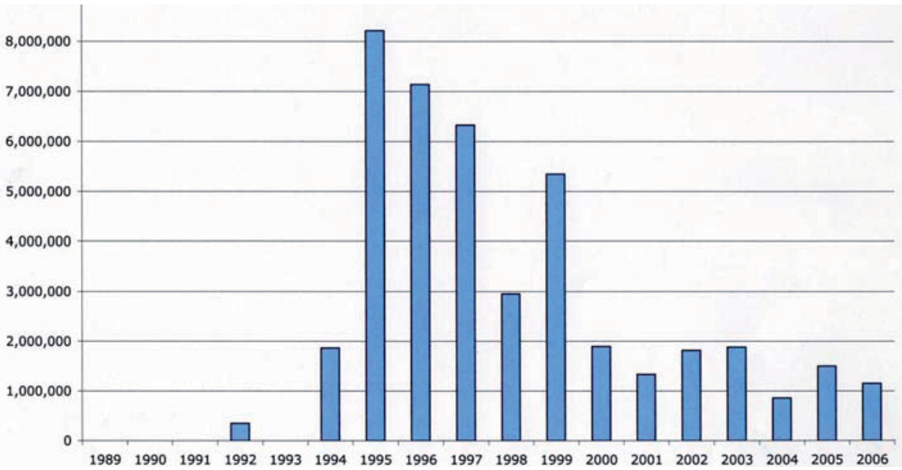
and Sida on possible support on budgetary procedures and financial management systems, including the internal audits. Several missions and consultancy studies were carried out. Both the OAG and the SNAO offered professional assistance. In November 2002 the MoF submitted a project proposal to Sida, in which three areas were prioritised. One of them was internal audits. However, in 2003 Sida took the decision[36] to not approve any support on a bilateral level. See also section 2, where the cooperation with MoF is summarised.

Another central actor in the state audit system is the Parliamentary Committee on Public Accounts (PAC), which deals with the audit reports submitted by the Auditor General (AG) to the National Assembly. The PAC is required to examine and consider the matters reported by the AG and issue a report to Parliament for debate by the Assembly. When the OAG has been successful in reducing its backlog in recent years, the backlog at PAC has instead increased. In January 2007, the PAC had more than a hundred reports from the previous year, which were not yet examined.

Throughout the cooperation period the OAG has assisted the PAC to develop its capacity, focussing on guiding the committee in its examination of the audited bodies and in preparing the committee's report. Training programmes has been conducted, covering topics such as budget accounting and audit procedures. In addition study visits to other countries have been organised for committee members.

Overview of the Swedish Support

During the cooperation period, 1994–2006, more than SEK 42 million has been contributed by Sweden for the development of the state audit system in Namibia. The graph shows how the disbursements were distributed over time[37]. The biggest part was contributed in the first phase, 1994–1998, when the SNAO provided a project team of four long-term advisors as well as contributions for computerisation of the audit work.



Results

The cooperation activities had been subjected to a number of external and internal evaluations to assess the impact on the OAG's performance. Each of these evaluation reports reveals some shortcomings in the project work and highlights areas where improvements are needed. A recurrent observation

[36] *"Contribution to consultancy missions to investigate possible Swedish support to the Ministry of Finance in Namibia"*. Completion Memo, Sida, 2005.

[37] The graph is based on disbursements from Sida. This means that some figures are lagging behind. For instance the high column in 1999 is due to invoicing from the SNAO for project activities in 1998.

in the reports is the deficiencies in management performance. The evaluation methods and criteria used differ between the evaluations, which makes it difficult to make comparisons. It is also obvious that the conclusions drawn sometimes were incorrect, for instance when Sida 1998 concluded that the objectives were already reached. However, the overall picture is that auditing standards have been improved step by step during the 12-year cooperation period.

As part of the PRE process, assessment of the quality of current financial audits was carried out[38], based on the quality assurance procedures prescribed by the International Organisation of Supreme Audit Institutions (INTOSAI). The findings show that the OAG's financial audit staff has made commendable progress towards auditing in accordance with international standards. However, the findings also point to the need for continuing theoretical and on-the-job training, particularly for managers at all levels, in review of audit work.

In performance auditing there has been no such assessment as part of the PRE process, but previous evaluations, as well as reports from SNAO missions in 2005 and 2006, give the same overall view: the OAG has made good progress towards meeting international standards, but further improvements are needed, especially in respect of analytical skills. For management at different levels improvements are needed especially in respect of audit planning and quality control.

When comparing the OAG's capacity in 2007 with the situation before the cooperation started, the improvements are very evident. The auditing standards have improved considerably, and there are other tangible development results:

– There is a significant increase in staff numbers, from 44 posts filled in 1995 to 99 posts filled in 2007. Of those 99, 74 were audit staff.

– There is a fair gender balance among the staff (also at management level).

– The new, bigger office accommodation has sufficient space to enable the OAG to recruit audit staff to fill existing vacancies. The salary levels have been increased in order to meet competition from the private sector, resulting in better possibilities of retaining the trained staff. Office equipment and working tools such as computers and stationery are available in good order.

– The OAG's own budget for certain key items has increased significantly. Staff costs from N$ 2,5 million in 1995 to N$ 17,2 million in 2007, training budget from N$ 5,000 to N$ 251,000, computers from zero to N$ 180,000.

All this cannot be attributed to the Swedish support, but there is no doubt that the support has been of great importance and has been appreciated by both the OAG and the different stakeholders. At the *PRE Seminar* in December 2007, the chairman of the PAC summarised the Swedish support as "a huge success".

The Relationship Between the OAG and the SNAO

The Swedish National Audit Office (SNAO) has been an important cooperation partner since 1994. From the start, the support was referred to as "institutional cooperation" in Sida documents. It was later labelled as a so-called twinning arrangement, see the box. Hence, the cooperation was chosen as one of the cases, when Sida in 1998 evaluated[39] the twinning method.

[38] *"Background Paper: Co-operation between Sweden and the Office of the Auditor general, Namibia"*, input to the *"Participatory Review and Evaluation of Co-operation between Namibia and Sweden in the Public Administration Sector"*, by Zuli Jadavji, Windhoek, 2007.
[39] *"Twinning as a Method of Capacity Building"*, report to Sida, by Merrick Jones & Peter Blunt, 1998.

The evaluators concluded that the twinning method has several potential advantages over other methods of development cooperation. But their assessment was that this potential was not exploited fully in the cases for study.

The Twinning Method
(as explained in Sida's fact sheet on twinning)

"Twinning" is a method that has been tested and further developed by Sida's Division for Democratic Governance, DESA, since the beginning of the 1980s. It has been extensively used in the public sector.

The basic idea is that an organisation in a developing country is paired with its sister organisation in Sweden or another "developed" country. The organisation in the partner country has a different background and fewer resources compared to the supporting "sister", but the organisations have comparable mandates and similar responsibilities in society. The staff has the same type of qualifications, experience and working duties, in fact they regard each other as professional colleagues with a common professional culture.

The "sisters" work together through a combination of long-term advisors and commuting short-term experts, training in the form of courses and on-the-job training, study visits and exchanges of staff, as well as support for equipment.

The aspiration is to make learning possible, not merely for individuals but for the entire organisation, in order to create sustainable effects. To achieve these effects it is important that contacts between the organisations take place at different levels in the hierarchy, in parallel and simultaneously.

Looking in the hindsight this is maybe not very surprising. When the project was planned, the ideas of twinning were not applied at all. For instance, not one of the long-term advisors was a staff member of the SNAO. Later, the SNAO tried to adjust the arrangements and make more of their own staff members involved in the cooperation. For instance, when one of the British advisors left in 1996, he was replaced by a SNAO auditor who was part of the project team for the remaining period.

A "reference group" was also established at the SNAO in Stockholm, with the aim to create backstopping support to the team and make sure that resources at SNAO headquarters were used in a more systematic way, for instance by calling upon short-term expertise when needed. However, as described in the SNAO's final report[40] on the first phase, the reference group never functioned as was intended.

In practice, the team of long-term advisors functioned more or less as a "normal" TA team of consultants. They didn't function as part of a many-sided SNAO contribution to the development programme at the OAG, as is the idea of a twinning arrangement.

There is always a psychological dimension in the relation between cooperation partners. In every successful project, mutual trust and good personal relationships between the partners have to be created[41]. This kind of mutual trust between the OAG and the team of long-term advisors was created nicely during the first phase. However, in the second phase (called the post-project phase in the beginning), the team of advisors was no longer part of the cooperation. As described above, it was also unclear to what extent the SNAO's expertise was really needed in the period after 1998.

In this period of uncertainty of roles and responsibilities, the previous feeling of mutual trust was now expected to involve the SNAO headquarters in Stockholm. Efforts were made on both sides, but transfer of trust is not easy… Consequently, it was quite difficult in the second phase to make the best use of short-term advisors from the SNAO.

[40] *"The Institutional Co-operation Project between the Office of the Auditor General of Namibia and the Swedish National Audit Office, 1994–1998."* Report by the Swedish National Audit Office, 2000.
[41] *"Lessons Learnt on Twinning"*, by Lage Bergström & Anne Ljung, Sida 2000.

In July 2003 the SNAO (Riksrevisionsverket) was discontinued, and a new SNAO (Riksrevisionen) was created with another legal status, i.e. an autonomous office under the parliament. For international work, the new SNAO has its own budget and decides on its own in what kind of cooperation it takes part. A contract with the OAG was discussed and signed in 2004[42], stipulating that the SNAO should provide further expertise advice and support to the OAG. An activity plan for the support was to be discussed and decided upon. However, no such plan was ever developed. Letters were sent and visits were made (in Windhoek as well as in Stockholm), but very little collaboration was seen.

In June 2005 the situation was described[43] as a deadlock in the dialogue. In an effort to revive the co-operation an "Agreement on the way forward" was signed in June 2005. This agreement resulted in three SNAO missions focusing on quality assurance in both financial and performance audit and on tools for statistical analysis in performance audit. It seems, nevertheless, as if the mutual trust that was created in the first phase and somehow maintained during the second phase, came to an end when the old SNAO was discontinued.

The Way Forward

As described above, the OAG's capacity has improved during the cooperation period. The PRE Background Paper emphasises that there is a number of factors that points favourably towards the OAG's prospects for sustaining the developments achieved and for building further thereon. These factors include improvements in funding and staff resources, availability of adequate office space of good standard, current training structure and improved relations with audit clients. However, the *Background Paper* also points at certain factors, which could be viewed as risks to sustainability. These include lack of sufficient independence for the Auditor General and continuing delays by the Ministry of Finance in providing financial statements and records for audit.

Already in the feasibility study 1993, the issue of greater independence from the government was put forward as an area of significant importance. Since then the issue has been alerted several times. The Auditor General is currently preparing a draft legislation which, if adopted by the National Assembly and endorsed by the President, would represent the initial step towards this change. The Auditors General in many countries throughout the World are granted this type of independence.

In respect of professional competence, the assessments have shown that the OAG staff need further theoretical and on the job training, particularly for managers at all levels. A first step towards improving management capacity could be an independent review of OAG's management structure. Before embarking on a management training exercise it is also essential that the roles and responsibilities of all managers are clearly defined and understood. After this has been done most of this training can be organised and funded by the OAG itself. In matters where external support is needed, the OAG can rely on INTOSAI and AFROSAI-E, i.e. the international organisations of supreme audit organisations, in which the OAG is a member. Especially AFROSAI-E (the Organisation of Supreme Audit Institutions of English speaking countries in Africa) will most likely be of importance. The AFROSAI-E has a great emphasis on the development of member SAI's capacity through donor funded training programmes. This training is to a large extent delivered by the staff of member SAIs.

The other risk to sustainability identified above is difficult for the OAG to deal with on its own, i.e. the continuing delays of financial statements and the poor quality of internal audits at the different ministries. Hence, there is reason to consider the possibility of a new initiative from the OAG in order to advocate for support to the ministries in developing the internal audits. If such an initiative is received favourably by the Ministry of Finance (MoF), cooperation with the Swedish National Financial Man-

[42] *"Agreement between the Swedish National Audit Office and the Namibia Office of the Auditor General"*, signed June 18, 2004.
[43] *"Report from the visit to the Office of the Auditor General of Namibia (OAG)"*, by Allan Read, SNAO, 2005.

agement Authority (ESV) could be considered. ESV has experience of this kind of cooperation projects in other countries in Africa. ESV was also involved in the previous (in 2002–2003) consultations with MoF on these issues.

6 Conclusions and Lessons Learned

In the *Background Papers* on audit and statistics a number of conclusions, lessons learned and recommendations were brought forward. They were presented and discussed at the *PRE-PA Seminar* in December 2007. The focus in these discussions was on sustainability issues and the way forward. The discussions were open and frank, which brought new light to some of the conclusions/observations. In the seminar report[44] these discussions are summarised under four headings:

- Regulatory framework
- Technical component/skills building
- Organisational development and reform
- Education, collaboration and outreach component

In this section some of the conclusions/observations are highlighted and analysed further. The focus here is on lessons learned of relevance for Sida and other partners in development, who are, or will be, involved in similar cooperation programmes.

Management Matters need Special Attention

At the *PRE-PA Seminar* there were no participants representing the Swedish National Audit Office (SNAO). But SNAO had sent a message[45] to the seminar, in which some general lessons from different cooperation projects were highlighted. Among these lessons learned, one was about management:

> *"Management/leadership is the key to any well functioning organisation and something that needs to be part of an ongoing development process. Here, the issue of internal communication is pivotal."*

This lesson learned by SNAO is shared by many other organisations with experience from organisational development. It is not new knowledge, in fact this matter has been emphasised among development workers for long. So, how has this knowledge been applied in the Namibian Public Administration projects?

For the establishing of Bank of Namibia (BoN) the management issues were very much in focus. The first years all top-level posts of the BoN were manned by expatriate advisors, all of them experts on central banking with long experience as managers. But already after six years, the expatriate managers had made themselves unnecessary and the BoN was functioning in good order with a Namibian management. It is reported that especially the Swedish advisor, who had the post of Governor for a period, was perceived as a model for how a professional bank manager should perform, thereby inspiring all other heads of departments/divisions to improved management performance

[44] *"Summary of Proceedings on the Participatory Review and Evaluation (PRE) Seminar in the Public Administration Sector held on December 06–07, 2007 at Safari Hotel"*, 2008.

[45] *"Message from the SNAO"*, letter to the PRE Seminar, December 2007.

In fact, the support to BoN for management development has rightly been assessed as a success. However, the same cannot be said for neither the support to statistics nor the support to audit.

How can a Team of Audit Advisors Influence Management Performance?

Reflections by *Mr Allan Read,* one of the advisors in the SNAO team at the OAG, 1994–1998.

In 1997 almost all management posts were filled and in our day-to-day work we tried our best to support managers on different levels. However, our only way to do this was to give our advice in the different steps of the audit process. We could give our views also on management in general, but we had no mandate to question the management structure or the leadership style (simply because this was not backed up by either Sida, the OAG or the SNAO). Certainly, we questioned the forms and culture of internal communication, which was in fact very problematic. However, the only result was that we, the advisors, became a kind of link helping to bridge communications gaps as and when they occurred. We were fortunate enough to be able to follow the audit process through all its stages and had access to staff at all levels. Thus we were not affected by obstacles to communication sometimes caused by hierarchical structures or different languages, personalities and specialisations.

When I now look back, I must admit that what we did may actually have helped a not-so-well-functioning system to survive, rather than to improve it.

Hence the question: Could we, as audit advisors, have handled this differently? After all, we were auditors, not management consultants. Our focus was and should be on the technical skills, i.e. auditing, and in this respect I feel that we were successful. We helped to create a trustful cooperation with all staff members, resulting in considerable competence development.

So, my conclusion is rather that support for management development should have been provided otherwise, i.e. not only by the TA team. We raised the issue, but in practice we had no possibility to address the problems without the explicit backing of Sida and the cooperating partners.

As described in section 4, the first phase of the support in the area of statistics was quite promising. Then there was some kind of change of policy, which made the conditions for further development very unclear. In the *PRE-PA Seminar* this was described as a standing issue, which still wasn't solved after ten years. Of course it is not possible to strengthen the management, if the office's mandate, legal status and institutional setting are still unclear.

At the Office of the Auditor General (OAG), the prerequisites for management development have been much better. Already in the feasibility study (1993), the management issues were identified as a matter of priority. However, for some reason, not much influence on management performance was seen during the first phase of the cooperation. This was highlighted in the first external evaluation of the project, in October 1997. The evaluation team observed that the activities for strengthening the OAG's management capacity *"had been seriously delayed"*[46]. At the same time, an external consultant (assigned by the Office of the Prime Minister) had assessed the performance of OAG's management (on middle and senior level) and reported a need of improvements. The evaluation team noted that there was now awareness at the OAG of these problems, and an expressed will among the managers to address management issues.

But still, there was no change in the approach to management development in the continued project activities. Some managers participated in training programmes, but no other measures were taken in order to improve the actual performance. Consequently, in an evaluation workshop in October 2002, the same kind of management problems as before was reported.

How could this issue have been handled in a better way? In the box, one of the SNAO advisors reflects on this question. His conclusion is that the team of auditors had no real mandate to address the management problems, and, consequently, what they did was rather hiding the deficiencies than promoting

[46] *"Evaluation of the RRV's Cooperation Project with the Office of the Auditor General (OAG) in Namibia"*. By Ernst & Young, October 1997.

changes. This conclusion is in line with general lessons learnt from twinning arrangements[47]. Providing support on a colleague-to-colleague basis has proved to be successful in building up professional skills. But on the other hand, for good results in respect of management development other means of support are needed.

Consequently, a big mistake was made in 1998 when no attention was paid to the shortcomings in management capacity at the OAG. At this point in the cooperation, it would have been possible for Sida (and SNAO) to (1) propose an independent review of OAG's management structure and then (2) initiate discussions (maybe facilitated by an external management consultant) among staff and managers about roles and responsibilities as well as communication practices in the organisation. Based on such an exercise it would have been possible to continue with a management training programme, which would have had good chances to be successful.

This conclusion is in line with the common experience of twinning programmes. Today the recommendation is to start the cooperation with relevant technical skills, and later, if/when trust and confidence between the parties have been created, continue with other more sensitive areas such as management issues, legislation, organisational matters (roles and responsibilities), etc. [48]

Lessons Learned

The experience confirms the importance of the management issues to be included in the development process. Training programmes are not enough; other measures have to be added as well to improve the actual management performance. Gap-filling expatriate managers on top-level might be an option (as in the BoN case), if this is part of a strategic programme for organisational development. However, gap-filling expatriates on middle-management or project level will not bring about changes in management performance (even if they might be instrumental for temporary increases in production/output).

If there are continued weaknesses in management performance, improvements in organisational capacity are still possible (as in the OAG case), due to improved technical skills among the staff. However, these improvements will be achieved in a slower manner than would otherwise be possible. Top management should be in the forefront of the new working methods, in order to enable them to lead the change process and make efficient use of the resources made available through the cooperation. But how is it possible to secure the involvement of top management? For twinning arrangements there is evidence that it is practical to start the cooperation focusing on relevant technical skills and later continue with the more sensitive areas such as the management issues.

How Keep Focus on Learning?

In the area of statistics the cooperation in recent years has focused on support to the Central Bureau of Statistics (CBS) for big national surveys, the 2001 census and the 2003/2004 household income and expenditure survey (NHIES). The advisors from Statistics Sweden (SCB) have worked as gap-fillers and taken leading roles for different parts of the surveys. There are several reasons for this, as explained in SCB's final report[49] on the NHIES:

[47] See for instance Sida's fact sheet on twinning, 2000.

[48] Compare for instance with the twinning cooperation between Statistics Sweden (SCB) and the General Statistics Office (GSO) of Vietnam, 1995–2005. The first part of the cooperation focussed on technical skills and computerisation. Then, in 2001, the partners agreed that their relations had reached a level where changing the organisational culture and influencing the institutional framework should be on the agenda. Consequently the last phase of the programme contained not only further strengthening of the professional skills, but also efforts to break down thinking and routines in the previous system. For instance, changes in leadership style have been reported. Previously managers seemed to be excessively involved in day-to-day crisis management of operational problems. Now managers have shifted their focus to key improvement areas, working out objectives and strategies, developing proper systems for planning, etc. See more in *"When is twinning a practicable method to strengthen an organisation's capacity?"*, Sida/POM, 2007.

[49] *"Namibia Household Income and Expenditure Survey (NHIES) Project – Final Report"*, submitted to Sida in August 2006.

– The educational level of the CBS staff is low. Only a few staff members have a formal education in statistics and there is a lack of basic knowledge in mathematics and English. The IT competence is low overall. It takes a very long time to make staff really understand various methods and techniques, not only able to perform various pre-set tasks.

– The CBS is severely understaffed, and skilled staff members get engaged in

(too) many and frequently too unqualified tasks. Skilled counterparts to the consultants are not always available during short-term mission periods.

– Time constraints in the survey and the short-term missions make transfer of knowledge – in both directions – difficult. The consultants have to finalize the work within their stipulated mission periods. There is little time for in-depth training of local staff.

So, during this period capacity development wasn't really prioritised, but it is reported that the SCB advisors had tried their best to work in close cooperation with the CBS staff and offer on-the-job training when possible. Even some training courses on statistics methodology have been held. This has resulted in increased knowledge and skills among staff members. Also at unit level enhanced capacity is reported – in particular at the national accounts and the GIS (Geographical Information Systems) unit. Both are assessed capable of maintaining the work but hardly of developing the systems further.
In other areas no unit capacity has been developed, primarily because the work has been carried out in temporary settings.

In sum, looking in the hindsight, the learning results are not very impressive. In fact, it seems rather as if the gap-filling advisors/consultants have delayed the CBS in taking necessary actions in respect of learning. As explained below (page 39), this would have been different if resources had been planned and utilised for a continued cooperation programme after the NHIES, aiming at enhanced institutional capacity. If so, the learning efforts during the survey could have been utilised in a good way.

In comparison, the learning dimension at the Office of the Auditor General (OAG) has been much more focused. The "learning approach" in the project (see the box on page 22) was assessed very positively by the 1998 external evaluation team[50], meaning that the OAG had made good progress towards becoming a "learning organisation"[51]. The evaluators attributed this to strong leadership from the Auditor General, but also to the efforts of the SNAO project team, who promoted a questioning climate and provided continuous on-the-job training. Another contributing factor at the time was the OAG's recruitment of graduate staff who were articulate, questioning and ambitious for professional careers.

In view of this very positive assessment it is disappointing to read the evaluation reports from the subsequent phases. A recurrent problem from 1999 and onwards has been that theoretical training has not been applied in actual work. However, it seems as if the 1998 external evaluation were too positive in its assessment. An internal evaluation in late 1998 reported that *"application of the theoretical training to actual audit work had been slow"*[52].

Even during the first phase there was a tension between attending to the regular work, and taking time for developing competence among the staff. The "learning approach" meant in practice that development activities were organised in a project alongside of the normal work. In stressful periods it happened that all development activities had to be postponed.

[50] *"Twinning as a Method of Capacity Building"*, report to Sida, by Merrick Jones & Peter Blunt, 1998

[51] In Sida's *"Manual for Capacity Development"* (2005) a "learning organisation" is defined as follows: "Learning organisations are organisations that continuously expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together."

[52] Reported in the *"Background Paper on Co-operation between Sweden and the Office of the Auditor General, Namibia"*. By Zuli Jadavji, Windhoek, 2007.

Of course, a development project cannot disregard the current production. Hence it is important to adjust the training activities to the production activities, particularly in respect of timing. For instance, it is not effective to hold a training course on audit planning when most of the auditors are involved in audit reporting. If instead a formal training is organised just before the same topic will be handled in regular work, it is more likely that the content of the training will be implemented.

So, it seems as if there were some weaknesses in the way the "learning approach" was applied in 1994–1998. These weaknesses became visible in the second phase, when the managers didn't prioritise on-the-job training to the extent needed.

Lessons Learned

Very often in development cooperation there has been a belief that training can solve all and any problems. Many projects have been based on an assumption of a results-chain like this: Training leads to learning, which leads to better skills, which leads to enhanced performance of tasks, which leads to improved efficiency in the organisation. However, in reality there is not much evidence to support this assumption. Formal training might contribute to organisational capacity, but other supporting factors are needed as well. The "learning approach" in the first phase of the support to the OAG is an example of how these supporting factors could be mobilised. However, the second phase of the cooperation gives evidence that even more emphasis should have been put on the interplay between training and daily work.

A Holistic Perspective is Needed

No project or programme functions in isolation from the world around it. An activity or an organisation is influenced, to a great extent, by factors in its environment, factors which may be political, institutional, economic, technical or socio-cultural in character. At the same time an organisation can influence other organisations in the system, of which it is a part. Some organisations are more influential than others, depending on their different roles, responsibilities and capacity. It is vital to make the roles and linkages clear and transparent in each individual case. That is why Sida argues in principle that all contributions need to be planned in a holistic perspective[53].

The same general view was emphasised by Dr Sufian Bukurura at the *PRE-PA Seminar. Dr Bukurura* is a professor at the South African University of Kwazulu Natal and had analysed the developments at the Office of the Auditor General (OAG), focussing on its institutional role for government transparency and accountability[54]. He noted that the cooperation had resulted in some achievements, of which the OAG and Sida have reason to be proud. But, he continued, *"…a lot more has been left undone. Whereas Sida provided financial support, and was able to train OAG staff, it was unable to recognise, solicit, mobilise or secure guarantees of political will, required in certain areas. Financial and human resources are measurable, political will, on the other hand, is not. Put differently, Sida's approach was piece-meal and limited, rather than holistic."*

So, *Dr Bukurura* was quite critical of how Sida (as well as the OAG and the SNAO) had analysed the nature of politics and power struggle in relation to the development objectives at the OAG. In particular two issues of concern were highlighted:

– The Auditor General (AG) enjoys professional independence through the provisions in the constitution. However, his office, the OAG, existed before Namibia became a constitutional dispensation. Hence, it has to transform to fit in the new order, which means that it needs independence from the

[53] See for instance chapter 3 in the *"Manual for Capacity Development"*, Sida 2005.
[54] *"Auditor General in Global Context: Twelve Years of Sida Support to Namibia (1995–2006)"*. By Sufian H. Bukurura, University of Kwazulu Natal, Durban, 2007.

government in the areas of funding and staffing. This was in fact one of the agreed goals for the first phase of the Swedish support. But still, after the third and final phase, no concrete steps have been taken for this change.

– There are other actors in the state audit system, besides the OAG. These other bodies affect the AG's work, but are largely outside the AG's control. First, finalisation of financial statements to be audited has to be done within prescribed time. Secondly, once the AG submits annual reports to Parliament, there is little the OAG can do to expedite PAC's work. Thirdly, the implementation of the AG's recommendations, too, is outside the OAG. For achieving the overall objective for the cooperation ("transparency, accountability and financial discipline in the public sector") improvements are needed in all these different parts of the audit system.

The cooperating partners (Sida, OAG and SNAO) have been aware of these matters (as described in section 5), and the OAG has tried to advocate for changes, for instance by drafting a new legislation and by offering training opportunities for the PAC members. However, *Dr Bukurura's* point was that the OAG (and Sida) have understood the audit system in a too technocratic and restrictive sense; they had not paid sufficient attention to the general public. His conclusion was that *"this is not acceptable for a body whose main mandate is furtherance of government transparency and accountability in the public interest."*

Is this critique fair? Had it really been possible to apply this kind of analysis on the state audit system, when the cooperation started in 1993/94? Perhaps not, but on the other hand it is true that Sida's awareness of these matters hasn't been raised until recent (and the same is true for most other development partners)[55] and there are still some steps to go until there is a common understanding among Sida staff how the results of a power analysis should be handled in the dialogue.

When this matter was discussed at the *PRE-PA Seminar,* the suggestion that the OAG should be striving to become "democratic officials" was well received. It was argued that it is now timely for OAG to put more focus on learning skilful listening and facilitate public debate on financial accountability. In particular the role of disseminating audit reports to the public was highlighted. The OAG's website as well as other means of communicating the audit findings were emphasised in the discussion. If the audit findings were presented in a way that the media was alerted, it would put pressure for improvements, it was argued.

The same kind of issues was also discussed in the statistics' part of the *PRE-PA Seminar:* What kind of autonomy is needed for a well-functioning national statistics office? Is statistics a "public good"? How can sufficient funding be secured? How mobilise political will and understanding for a new statistics law? Which vested interests are holding back the restructuring of the Central Bureau of Statistics (CBS)? What role should the donors have in the decision-making process? What kind of coordination/cooperation should be organised between an autonomous CBS and the statistics units at different ministries? How change stakeholders negative perception on the credibility of statistical data? Do the users of statistical data have the competence needed? Etc

[55] Sida's experience of power analysis on country and sector level is summarised in the report *"Power Analysis – Experiences and Challenges",* by Helena Bjuremalm, Sida, 2006. The report concludes that power analysis (which gravitates to political analysis) can help donors understand underlying structural factors impeding poverty reduction as well as incentives and disincentives for pro-poor development.

[56] See for instance: *"The Challenge of Capacity Development: Working towards Good practice",* DAC Network on Good Governance, 2006.

Lessons Learned

Today it is established policy at Sida (as in OECD/DAC) to apply a holistic perspective

in all contributions for capacity development. A project might be limited to a certain organisation (or even a unit in an organisation), but a contextual analysis is needed to make sure that the project fits into the bigger picture. However, as the cases of audits and statistics show, such analyses open a complex web of dependencies and institutional relationships. Political, economic and socio-cultural circumstances, rules and norms interact and are linked together in complex systems. When a cooperation project aims at organisational/institutional change this complexity makes it difficult to predict the project outcomes in advance. Instead it is important to realise that this kind of development programmes are dynamic processes, and consequently, the cooperation has to be monitored in steps or phases. After all, changes in political will are not possible to foretell in a project plan.

The kind of monitoring needed puts heavy demands on the quality of the dialogue between the development partners. In light of the Namibian experience, it seems as if the forms for the dialogue have to be improved, for instance by also including seminars/workshops of the type that has been practiced in the different PRE processes.

How Deal with Conflicting Views?

In the area of statistics the cooperation activities came to a standstill in 1997. This was surprising for Sida and the other cooperating partners, because the cooperation up to then was perceived as progressing very well. It had been a joint effort with coordinated support provided by UNDP, UNFPA, ODA and Sida. During this period an office was established as a first step in line with the Namibian Government's (GRN) aim to develop an autonomous statistical structure. The office was functioning quite well, but was heavily dependent on expatriate TA personnel.

As described in section 4, the development direction was questioned in 1997 by decision-makers on the Namibian side. This caused a lot of tension between the partners. Today the reasons behind the change are remembered/explained differently by the different parties. Some argue that it had to do with ivory-tower building efforts of some individuals, others mean that it was some kind of protest against the expatriate dominance, others say that the GRN wasn't ready at the time for allowing the kind of autonomy that was proposed for the statistics office.

Today it is not so important to find out the underlying reasons in 1997, but it is interesting to look into the issue of *how* the conflicting views were handled in the dialogue. What conclusion is there, are there some lessons on how a development partner should behave in such a situation?

What Sida did in this case, during 1997–2000, was essentially three things:

- Sida tried to understand the underlying reasons for the change (for instance by commissioning a team of consultants to make an organisational study[57] of the statistical office).
- Sida didn't continue the support (as was the intention before 1997), arguing that the parties first must reach a new consensus on the objectives before any continued long-term partnership could be agreed.
- Sida kept the contacts and personal relationships alive, both through the dialogue and by financing short-term consultancy support on specific issues.

[57] In line with the thinking of the need for a holistic perspective, this effort was probably too limited to the technical/rational aspects. If today, the mission would most likely been given a broader task, including also the institutional/political context.

By doing this, Sida conveyed two messages to the Namibian side:

– "We respect the principle of national ownership for all development activities. But as a cooperation partner and financier we cannot participate in a programme with objectives, which we (from previous professional experience) don't think are the best for Namibia."

– "Sweden continues to be a good friend of Namibia, even if we disagree on this particular issue."

Looking in the hindsight, this must be assessed as a good way of handling the situation.

Lessons Learned

In a situation where there are conflicting views on the development direction, Sida's task as a development partner is primarily to seek to understand the context and through the dialogue try to bring the issues forward. When doing this in the area of capacity development, it is important to include both the functional/rational dimension and the political dimension of the reform process. While Sida should always respect national ownership, it is also important to share its own experience of what kind of development is possible and feasible in the actual circumstances.

Programmes for Strengthened Institutional Capacity, or Assistance for Producing Immediate Results?

In the field of statistics donor assistance has been of decisive importance for two population and housing censuses and two national household income and expenditure surveys as well as different intercensal surveys. Together these surveys form a socio-demographic database that is very important for the monitoring of poverty reduction strategies and action plans as well as for follow-up of the millennium development goals. This is important for the Namibian Government (GRN) as well as for the development partners. The Swedish contribution has been crucial for achieving these results. The Background Paper states (about the 2003/2004 National Household Income and Expenditure Survey, NHIES) that *"the survey probably would never have got off the ground, would never have reached results of such a good quality, and its results would never have been disseminated and stored in an acceptable way without the assistance."*

This might be assessed as a success: Statistical information of importance for poverty reduction has been produced and is made available to the users!

On the other hand, the overall objective for the Swedish support has been to assist the GRN in developing a national statistical capacity. Now the Central Bureau of Statistics (CBS) exists as a department of the National Planning Commission Secretariat (NPCS). However, as described in section 4, the department has low capacity and there is an urgent need for restructuring the national statistics system. The *Background Paper* states that: *"Major challenges still face the CBS such as outdated legislation, limited technical skills, negative perception on credibility, quality, reliability and integrity of statistics, to mention but a few."*

Hence, in this respect the Swedish support might be assessed as a big failure: 16 years of cooperation (or 12 if we reduce by the 3–4 years of standstill in the late 1990s) with a total input of SEK 80 million and by the end the institutional capacity is very limited!

How should these differing views be explained? Had it been possible to support the NPCS/CBS in a better way in respect of institutional capacity? Or, are perhaps the results the best possible, considering the circumstances: Very few Namibian statisticians at independence, poor teaching of mathematics in Namibian schools, lack of qualified users of statistics information, etc.

At the *PRE-PA Seminar* these questions were not really answered. The focus of the discussions was on the way forward instead on explaining the past. However, for Sida and Statistics Sweden (SCB) this is not enough. It is important to examine the experience and identify the lessons learned of relevance for similar processes in coming years.

The critical decision was made in 2002, when it was considered most important to focus the support on the NHIES and consequently, this need overtook the objective of strengthened institutional capacity. This was probably the right decision, considering the importance of the survey and the complexity of the work. Trying to achieve both objectives during the same period was merely wishful thinking. CBS's capacity at the time (2003) was not good enough to make such ambitions realistic.

However, the big mistake was that no planning was done for a continued cooperation programme after the NHIES, aiming at enhanced institutional capacity. If the partners had decided on such a programme already in 2002, the resources would gradually have been tilted to capacity development activities. If so, the learning efforts during the survey could have been utilised in a good way.

Lessons Learned

It must be realised that building national statistical capacity is a long-term undertaking. At independence no Namibian statisticians were available and the educational system had suffered from years of oppression. Since then the basic education has improved and formal education in statistics has been organised, but it takes time before these efforts provide results in terms of a critical mass of trained statisticians in the country. However, the production of statistics cannot wait; statistical data is needed for monitoring the development programmes in the country. Consequently, there must be a balance between support for production and support for capacity development. Equally important, the interplay between the two needs have to be analysed.

For a development partner who wants to promote capacity development it is most important to realise that capacity development is an endogenous process. Developing institutional capacity cannot be engineered from the outside. Hence, when planning for cooperation activities, an important guiding principle should be to look for the possible rather than the desirable, i.e. avoid wishful thinking, but look for realistic options considering the actual circumstances!

It must also be realised that institutional capacity is strengthened in steps. What is possible to do in a particular situation and time, is dependent on results in the previous step. For the partners it is therefore important to recognise and develop further what has previously been achieved.

Imperfect Methods for Monitoring and Evaluation

In the area of audits, frequent external and internal evaluations have been made. The evaluation methods and the criteria used have differed. Hence it must have been difficult to draw conclusions on the progress over time. It is not easy to find any example of how the evaluation findings have been of importance for further planning. In fact, even when the different evaluators' recommendations have been concordant, it seems as if not much attention has been paid to them. For instance, the management issues have recurrently been reported as problematic, but this has not resulted in any tangible changes in project plans.

In the other areas of cooperation there have instead been very few evaluations. For instance the Personnel & Consultancy Fund (PC-Fund) had channelled SEK 52 million over the 16 years of cooperation, but no evaluation or results-analysis has been carried out[58].

[58] Some of the projects, which have been funded through the PC-Fund, have been evaluated, for instance the distance education course in economics (see Sida Evaluation 00/26: *"Sida Supported Master of Science Program by Distance Education in Mozambique, Vietnam, Cambodia and Namibia")*. However, the PC-Fund as such has not been evaluated.

In the area of statistics there is almost the same picture. An organisational analysis of the Central Statistics Office was carried out by external consultants in 1997. In addition, some internal results analyses have been made, but there has been no external study focussing on how the cooperation has been managed and what results have been achieved. This means that most of the available information on the project activities has been reported by the partner, i.e. Statistics Sweden (SCB). It was not until the *Background Paper* for the PRE-PA process should be prepared, an external examiner became involved.

These very different approaches might be seen as puzzling weaknesses in the cooperation programmes, but should rather be interpreted as an illustration of the current shortcomings in available methods for measurement of capacity. In fact, the methods and techniques used today are very inexact in respect of institutional capacity. Hence, it is difficult to compare findings from one study with findings in another study some years later. Consequently, it is difficult to draw conclusions and use them for further planning.

In recent years these shortcomings in evaluation of capacity development programmes have been observed and discussed intensely among the development partners. For instance, this was one of the major themes at the 2004 international Symposium on Capacity Development in Tokyo.

Sida made a quite innovative work in the mid-1990s to develop a diagnostic tool for organisational analysis, the so-called "staircase model"[59]. This model has been used in different evaluations (also for the organisational analysis of CSO in 1997) and has proven applicable in programmes aiming at improved organisational capacity. However, Sida has made no systematic effort to follow up the use of this model or to look into the broader issue of capacity development evaluation[60].

Instead other donors have put more efforts on this issue. For instance, Danida (the Danish International Development Assistance) has developed and tested guidelines, which use an analytical framework[61] based on a notion of organisations as "open systems", which are influenced by, but also influence the surrounding context. If this kind of analytical framework had been used in the evaluations of the development activities at the OAG, drawing conclusions for further planning would have been much easier.

Lessons Learned

There is an urgent need for Sida to address the issue of methods for monitoring and evaluation of development programmes aiming at institutional capacity.

[59] *"Diagnosis of Organisations in Development Cooperation."* Report to Sida, by Göran Andersson & Peter Winai, 1997.

[60] *"Approaches to Evaluation of Capacity and Capacity Development – A Review",* by Ingemar Gustafsson, Sida/POM, 2007.

[61] The framework is explained in: *"Between Naivety and Cynicism: A Pragmatic Approach to Donor Support for Public-Sector Capacity Development",* by Nils Boesen & Ole Therkildsen, Ministry of Foreign Affairs, Copenhagen, 2004.

Annex 1 Terms of Reference

Synthesis and assessment of Swedish – Namibian cooperation in the Field of Public Administration/ Democratic Governance 1990 -2007, PRE-PA

1. Introduction

These Terms of Reference are intended for a Post-cooperation assessment of the design, implementation and result (impact) of bi-lateral cooperation in the field of PA. Although the cooperation has lasted over 17 years and been touching on many areas, some are more distinct and fundamental than others. The assignment is not expected to cover all areas or projects but concentrate on the key sector functions.

The assessment can be considered an external evaluation with probably more learning value to Sida than the Namibian cooperating partners (as they are less likely to be involved in establishing a Central Bank, an Auditor General's Office or a Central Statistical Bureau again). As far as possible the assessment should be comparative to similar evaluations of institution and capacity building.

The term Public Administration is used here to include some aspects of Democratic Governance, the general term used towards the latter part of the cooperation period.

2. Background

The bi-lateral cooperation between Sweden and Namibia started at independence 1990 but already before there had been close contacts between Sida and the incoming administration. Vital areas had been discussed, relating to the strategic functions of the independent Namibia, and a general modus operandi agrees. This included attaching certain donors to certain sectors; on Sweden fell Transport and Communications, Education and Public Administration. These three were also the main sectors of cooperation throughout the period of cooperation. From the onset, the period during which independent Namibia would require Swedish bi-lateral assistance was seen as 15 years, i.e. up to 2005. As planned the bulk of the bi-lateral cooperation will have closed down by the end of 2007 and also the Embassy will be closed by October 2008.

During 2004 the evaluation of the transport sector support was discussed. The Namibian stakeholders had indicated that they had little interest or resources for an external evaluation as originally envisaged by Sida but that they would welcome an approach which would help with the internal learning and development process. Hence a process of a Participatory Review and Evaluation PRE was developed and applied for the closing of the transport sector support. The emphasis was thus on the joint reviews and for the transport sector support the resources did not permit an external evaluation.

The PRE as a model however seemed appreciated and Namibia and Sweden have agreed to further develop and use the PRE for also the Public Administration Sector (and the Environmental cooperation). These two processes are currently being carried out in parallel; the PRE for Public Administration PRE-PA will culminate in stakeholder seminars in early December 2007.

3. The PRE-process and Stakeholder involvement

The whole process PRE-PA has been divided into three distinct phases;

1 The preparatory phase (January – February 2007)
2 The documentation Phase ('History' and Current') (March-August 2007)
3 The dissemination (and evaluation) phase 3 (September-December 2007)

1 The preparatory phase (January – February 2007) deals with the cooperation and understanding between the parties and stakeholders and organising the work. This requires an active role at high level (Embassy, NPC, Concerned PSs, etc) and decisions by them to allocate human and financial resources and to establish a PRE-Team (consisting of a Steering Committee SC, Secretariat S and Expert Group)

2 The documentation Phase ('History' and Current') (March-August 2007) concerns research/studies/collation of previously produced material. A total overview of the cooperation in question is to be done, and the chosen specific areas (OAG, CBS) subject to detailed analysis. This is to be based more on the present and foreseen relevance to Namibia than on historic anticipations. SC will engage necessary resource persons and communicate with stakeholders (review of drafts, set agenda for dissemination seminars etc.)

3 The dissemination phase 3 (September-November 2007) during which the stakeholders at large meet to discuss and draw conclusions, based on the documentation from the documentation phase. Up to three (half-day?) seminars are planned: one with focus on the OAG, one on statistics &CBS and possibly a third dealing with some of the other areas of cooperation. This phase is also when the *evaluation* takes place. The actual evaluation part is likely to be of greater interest to Sida than to the local partners. There may be additional dissemination steps; e.g. Sida may wish to disseminate internally and the partners may decide to present the review to peers/international counterparts.

For more information about the PRE-PA, see PRE-*PA Plan of Operation*

Much of the material for the assessment will be readily available in the form of analytical reports for the OAG and CBS and in the form of stakeholder seminars. The assessment will therefore to some extend be a synthesis of earlier evaluations but with an added benefit of longer time span between end of project and this final assessment.

The stakeholders have been identified (see list of *Principal Stakeholders.xls*) and the principal ones have been consulted in the second phase of the PRE (i.e. provided input to the various consultants' work). The draft PRE papers have been widely circulated for comments and thi will be intensified building up towards the seminars.

4. The Assessment; tasks and questions

The assignment will not cover each and every project over the years but will focus on the three areas which have received the bulk of the support; likely to be Statistics, the Office of the Auditor General and the Bank of Namibia. It will also include a description of the PRE-process as such and comment upon its possible use as a model when closing down long term cooperation.

Some of the questions could be:

- Did Sida and other Swedish partners do/ engage in the right things? (E.g. was production done at the expense of institution building)
- Did Sida and other partners do the things right? (e.g. use of consultancy team, individual consultants, long term vs. short term advisors)

- What worked and what did not?
- Were the results of the cooperation sustainable?
- How has the PRE-process been seen by the Namibian partners?
- Can the PRE-process be developed into a model for use in other similar circumstances of "closing the books" on long-term cooperation?

What corrective measures did the partners take following earlier evaluations and review? How receptive were the partners?

Did Sida's exit come at an appropriate time? Was it overdue or too early? Did other agencies step in?

Comparisons with other similar long term engagements elsewhere (statistics, central bank, Auditor General Etc), their evaluated results and lessons learnt should be made if considered relevant.

5. Recommendations and lessons

The assessment should summaries and synthesise lessons to be learnt and make such lessons easily accessible to those at Sida and other developing partners who are/will be involved in similar cooperation in Public Administration.

The assessment report should give guidance to Sida and the partners, both Swedish and to the extent applicable also Namibian, and recommend good practice and policy.

6. Methodology

Much of the relevant material has been collected and stored electronically. Some of this material is in Swedish (reports from the Embassy to Sida).

The consultant should make maximum use of the material provided in the specific papers on OAG and CBS as well as the general overview. Stakeholder gatherings provide an opportunity to identify both key areas and key individuals with whom the follow-up interviews can be scheduled.

7. Work plan and schedule

Most of the assignment is expected to be done as a desk study, complemented with an estimated one week in Windhoek in connection with the stakeholder seminars.

8. Reporting

The final report should not exceed 30 pages, be brief and concise and present the lessons learnt in a clear and pedagogical manner. It shall include a brief description of the PRE process leading up to the evaluation and comment upon its usefulness or otherwise for purpose of similar evaluations. The report shall include a list of reference to other relevant assessments /evaluations

The consultant should be prepared to present the report at any dissemination event that Sida and partners may hold and prepare a power point presentation of the findings. The main report shall be in PDF-format.

Recent Sida Evaluations

2008:53 Zivikele Training – Gender Based Violence and HIV/AIDS Project in South Africa
H.G. van Dijk, T. Chelechele, LP. Malan
Sida

2008:54 The University of Zambia School of Law Book Project: Post Project Evaluation Report
Mwenda Silumesi
Sida

2008:55 The District Development Programme in Tanzania (DDP)
John Carlsen, Solar Nazal
Sida

2008:56 Improved Land Management for Sustainable Development (RELMA-in ICRAF) Final Report
Jan Erikson
Sida

2008:57 Global Trade Union Building in Defence of Workers' Rights Evaluation of Sida's Support to the LO-TCO Secretariat
Frank Runchel, Agneta Gunnarsson, Jocke Nyberg
Sida

2008:58 Sida's Support to the Agency for Cooperation and Research in Development (ACORD) to the HIV and AIDS Support and Advocacy Programme (HASAP) in Uganda
Narathius Asingwire, Swizen Kyomuhendo, Joseph Kiwanuka
Sida

2008:59 Sida's Support to the Africa Groups of Sweden's Development Cooperation
Pia Sassarsson, Johanna Strandh
Sida

2008:60 Sida's Support to Save the Children Sweden's Development Cooperation
Cecilia Magnusson-Ljungman, Morten Poulsen
Sida

2008:61 Regional AIDS Training Network (RATN), Strategic Plan 2004–2008
Lovemore Zinyama, Peter Mazikana, Phares Mujinja
Sida

Recent Sida Reviews

2009:01 Swedish Health Forum in South Africa – from point of view of the Swedish Partner
Staffan Engblom
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2009:02 Assessment of Forum International de Montréal (FIM)
Charlotte Örnemark, Line Friberg-Nielsen.
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NAMIBIA-SWEDEN DEVELOPMENT COOPERATION IN THE AREA OF PUBLIC ADMINISTRATION 1990–2006

Description, analysis and lessons learned

Swedish development cooperation with Namibia in the area of Public Administration 1990–2006 is analysed in the report, including the fields of central banking, public sector audit and national statistics. The main lessons learned are: management matters need special attention; keep the focus on continous learning; a holistic perspective is needed; dealing with conflicting views is important; strike a deal between strengthened institutional capacity and assistance for producing immediate results; and Sida needs to improve methods for monitoring and evaluation of development programmes aiming at institutional capacity building.

SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Address: SE-105 25 Stockholm, Sweden.
Visiting address: Valhallavägen 199.
Phone: +46 (0)8-698 50 00. Fax: +46 (0)8-20 88 64.
www.sida.se sida@sida.se