2012:4 Sida Evaluation

Mark McGillivray
Allan Pankhurst
David Carpenter

Long-Term Swedish Development Co-operation with Sri Lanka, Vietnam and Laos

Synthesis of Evaluation Study Findings

Sida

Sida Evaluation 2012:4

Long-Term Swedish Development Co-operation with Sri Lanka, Vietnam and Laos

Synthesis of Evaluation Study Findings

Mark McGillivray
Allan Pankhurst
David Carpenter

Authors: Mark McGillivray, Allan Pankhurst, David Carpenter.

The views and interpretations expressed in this report are the authors' and do not necessarily reflect those of the Swedish International Development Cooperation Agency, Sida.

Sida Evaluation 2012:4

Commissioned by Sida, Unit for Monitoring and Evaluation

Published by: Sida, 2012

Date of final report: Mars 2012

Printed by: Citat/Edita 2012

Art.no.: Sida61503en

urn:nbn:se:sida-61503en

ISBN 978–91–586–4201–0

ISSN 1401–0402

This publication can be downloaded/ordered from www.sida.se/publications

Foreword

In 2007, the Swedish government decided to reduce the number of countries with which it had development co-operation. Laos (in which development co-operation began in 1974), along with Vietnam (since 1967) and Sri Lanka (since 1958), were the three countries in Asia where development co-operation would be phased out.

Along with the government decision to phase out, came a decision to document and evaluate the Swedish effort in these countries. The following report is a synthesis of these evaluations, with analyses of up to 53 years of development co-operation.

The report aims to do more than just synthesize. With a comparative analysis the aim is to be able to identify lessons that could have broader value, for policy makers, as well as for development co-operation agencies and actors. The evaluators looked for common features across the co-operation with the three countries and analysed them in light of the longevity of Swedish co-operation. The report goes beyond this initial analysis and looks at the effectiveness of contributions in one-party states and for lessons for working in countries in which a conflict arises. Finally, the study provides a sketch of decision-making criteria for phasing out development co-operation. These can be useful even when considering phasing in.

Sida hopes that some of the lessons drawn from our very long development co-operation with these countries can provide insights of value not only for Sweden, but for other actors and countries working to reduce poverty in the world.

Annika Nordin Jayawardena
Head of Monitoring and Evaluation Unit
Department for Organisational Development

Table of Contents

Acronyms

AQEF	Aid Quality Evaluation Framework
Danida	Danish International Development Assistance
HDI	Human Development Index
IDA	International Development Assistance
NGO	Non-governmental organisation
OECD	Organisation for Economic Co-operation and Development
OECD DAC	OECD Development Assistance Committee
SAREC	Swedish Agency for Research Cooperation
Sida	Swedish International Development Co-operation Agency
TOR	Terms of Reference
UNDP	United Nations Development Programme

Preface

The overall goal of the Swedish International Development Cooperation Agency (Sida) is to contribute to making it possible for poor people to improve their living conditions.

In 2007 the Swedish Government decided to reduce the number of countries with which Sweden carried out development co-operation. This included cessation of development co-operation with Laos, Sri Lanka, and Vietnam, and in accordance with Swedish development co-operation strategies, Sida and the embassies/country teams of those three countries initiated an evaluation study to document the long periods of development co-operation and assess results and experiences. Part One of this exercise was documentation to provide an historical account of the development co-operation with Laos, Sri Lanka and Vietnam. This was undertaken in 2009–2010.

In 2010, via an international competitive bidding process, Sida awarded a contract to GHD to undertake Part Two: an evaluation study of long-term development co-operation between Sweden and the three countries.

Sida deemed the content of the resulting evaluation reports to be sufficiently valuable to merit a synthesis of the results of these three country-level evaluations and to enable communication of some general lessons learned to a broader audience, including those interested in long term development co-operation and evaluation.

This report provides that further analysis and synthesis. It was prepared by Team Leader, Mark McGillivray with support from Evaluation Consultants Allan Pankhurst and David Carpenter.

1. Purpose, Scope and Method of Synthesis Report

1.1 INTRODUCTION

Swedish development co-operation with Sri Lanka, Vietnam and Laos commenced in 1958, 1967 and 1974, respectively. It ended with Sri Lanka in 2010, with Laos in 2011, and will end in its 'traditional' form with Vietnam in 2011 and partner-driven form in 2013. Ending development co-operation with these countries is part of a larger process of greater partner country focus for the Swedish development co-operation. Such a focus is consistent with efforts to increase the effectiveness, efficiency and quality of this co-operation by freeing resources for a deeper involvement in areas where Swedish efforts are continued.

Sida commissioned evaluations of each of these three long-term development co-operation programmes in 2010. The overall purpose of the evaluations was to provide:

1. an historical account of the development co-operation between Sweden and each country by documenting and recording what has taken place and been achieved; and
2. a summary of the experiences and lessons-learned from the co-operation in order to guide each recipient Government as well as other donors and international partners that may step in after Sida, regarding the possible continuation of the different projects or programmes, but also future development co-operation per se.

The primary aim of the evaluation process was to provide Sida with an understanding of how its development activities have supported poverty reduction in each country over time. Specific objectives include analysing the background and development context for interventions, analysing the reported results and impacts, and formulating conclusions and general lessons-learned.

The evaluation findings were provided in a separate report for each country and included lessons learned for future development

co-operation. The reports were widely circulated for comments from stakeholders and eventually disseminated in the three partner countries in November 2011. Final evaluation reports were submitted to Sida in January 2012.

Sida decmed the content of the reports to be sufficiently valuable to merit further analysis. The agency sought to synthesise the results of the three country-level evaluations and to communicate some general lessons learned to a broader audience, including those interested in long term development co-operation and evaluation.

This report provides the further analysis required by Sida. It summarises the key findings of the three country-level evaluation reports, compares the relative achievements of each development co-operation program, and discusses the factors that influenced these achievements. This comparative analysis has the potential to add significant value to the country reports, which, given their nature were specific to Swedish development co-operation with each individual country without critical reflection across all three. This report also compares Swedish aid to each country through the lens of lessons learned from the other two countries.

1.2 PURPOSE, SCOPE AND METHODS

The overall purpose of this synthesis report is to provide some general lessons that can inform the decision-making processes within development co-operation, including with regard to the phasing in, implementation, or phasing out of development co-operation in partner countries. Consistent with the status of cooperation with the three countries studied, there is an emphasis on lessons learned in phasing out of development co-operation. The report does not evaluate the decision to phase out of any of the three countries, but seeks merely to inform any future decision-making.

In considering these decision-making criteria the report is guided by the following questions:

1. Are there common features of Swedish development co-operation with all three countries, besides the long-term approach?
2. Are these features due to the length of stay in the country, or could they have come about in other ways?

3. What are the links between these features and the factors that have impeded or contributed to the success of Sweden's development co-operation?
4. Depending on how well placed a donor might be to achieving its developmental objectives in a country, what implications does a decision to phase out have on the sustainability of these achievements?
5. What do the evaluations say in terms of Sweden's involvement in one-party states and the effectiveness of its contributions?
6. What lessons learned from Sweden's long-term co-operation can be of use when a conflict arises in a country with which it is engaged in long-term development co-operation?

These questions are addressed purely by critical, comparative reflection on the findings of the evaluation report for each of the three countries. No additional data collection or fieldwork has been undertaken.

1.3 REPORT STRUCTURE AND CONTENTS

This report consists of four chapters following this introduction.

Chapter 2 summarises the key findings of each evaluation. It focuses on the answers to the primary evaluation question, which was as follows. *How, and to what extent, did Sida's development assistance contribute to poverty reduction in Sri Lanka, Vietnam and Laos?* It also provides information on the findings of the evaluations as to the extent to which Sida's aid responded to important multidimensional development needs in Vietnam, Laos and Sri Lanka, whether this aid was effectively and efficiently delivered, to what extent did Sida's development co-operation nurture an enabling environment for poverty reduction in the three partner countries and what lessons can be learned from the evaluations that can improve development effectiveness in the future.

Chapter 3 provides the synthesis. It analyses the findings of each country program evaluation and suggests what these findings may reveal about development co-operation in the other two countries and for long term development co-operation more generally. This chapter will be guided primarily by the six questions outlined in Section 1.2 above.

Chapter 4 discusses development criteria that should inform decisions relating to the phasing out (or otherwise) of development co-operation in partner countries. These criteria are in the form of four questions that can be asked about any donor development co-operation programme with a partner country. It also considers questions that should be asked in the context of establishing a new development co-operation program with a partner country.

Chapter 5 provides a summary of the main points and findings of this report, as well as highlighting key areas that require further investigation.

2. Key Evaluation Study Findings: A Summary

2.1 INTRODUCTION

Separate reports for Laos, Vietnam and Sri Lanka provided an assessment of the contribution Sweden has made to development and poverty reduction in each country over the lengthy period of development co-operation in each case. The periods cover 38 years for Laos, 53 years for Sri Lanka and 45 years for Vietnam[1].

As set out in Chapter 1, Introduction, the purpose of the evaluations was to provide: (1) An historical account of the development co-operation between Sweden and each country; and (2) A summary of the experiences and lessons-learned from the co-operation in order to guide each recipient Government as well as other donors and international partners that may step in after Sida, regarding the possible continuation of the different projects or programmes, but also future development co-operation per se.

In accordance with contemporary international development thinking the evaluations adopted a multidimensional conceptualisation of poverty. This conceptualisation is based on the recognition that quality of life or well-being depends not only on income, but on levels of health, education, participation, personal security, political participation and many other factors.

The evaluations did not seek to attribute in any quantitative way a causal link between Swedish development co-operation and poverty reduction, or other high level development outcomes. They did however, point to associations between development co-operation and development outcomes in each country. The resulting reports commented as to whether these associations might be causal, but go no further than that.

Evaluating long periods of development co-operation is a complex task, requiring an informative and rigorous methodological approach. The three evaluations were supported by an Aid Quality Evaluation Framework (AQEF) to evaluate the overall impact of the Sida pro-

[1] The evaluation only covered to 2011. The Vietnam programme continues until 2013.

gramme in each country (rather than the effectiveness of individual programmes). Under this framework aid effectiveness is defined in terms of the impact of aid on multidimensional poverty reduction. The AQEF consists of five components, against which the quality of aid is assessed using a mixture of quantitative and qualitative data. They are: (1) absorptive capacity; (2) quality of public sector financial management; (3) consistency with Paris declaration principles; (4) consistency of aid delivery with partner country sectoral priorities; and (5) consistency of aid delivery with donor country programme strategies.

The evaluations employed qualitative and quantitative methods in a complementary way to interrogate different types of evidence about the context, evolution and outcomes of Swedish development co-operation with each country. For each country evaluation, quantitative analysis drew on available sources of data, such as Sida's own databases, data provided by the partner government, the World Bank's World Development Indicators, the UNDP's Human Development Report and the OECD DAC's International Development Statistics. Such data informed the macro analysis of development and aid trends in the Country Development Profile. The data enabled assessment of changes in various dimensions of the quality of life, income poverty in particular. Change in indicators such as per capita income and its annual rates of growth, life expectancy, adult literacy, child and infant mortality, maternal mortality and the percentage of people living below the income poverty line were analysed. Key multidimensional indicators are also presented, such as the UNDP's Human Development Index (HDI). Comprehensive information on this index has been published by the UNDP since 1990, with HDI scores being available from 1970 onwards. Recognising that economic performance is an important driver of poverty reduction, GDP growth rates are also examined and key economic reforms and structural changes identified.

The qualitative component of this evaluation involved thematic and longitudinal case studies, with flexible exploration of the evaluation questions through the use of semi-structured interviews, focus groups and analysis of existing documentation.

Case studies were used to explore the evaluation questions in a context-specific way. The case studies provided an in-depth understanding of events and trends in Sweden's aid in the three countries through the perspective of key actors. A small sample of case studies in each country was selected purposively for their richness of infor-

mation in relation to key time periods, people, events and impacts. The historical nature of this evaluation, which must evaluate the cumulative impact of many activities over several decades, distinguishes it from a typical project or programme evaluation.

Longitudinal case studies were used to illustrate the changing nature and impact of Sida's involvement in a particular sector. Longitudinal cases exposed the drivers behind, and outcomes of changes in, Sweden's development co-operation within a selected sector. Analysing one connected set of interventions in this way informed the evaluation on responsiveness, relevance and effectiveness. Longitudinal cases were identified based on sectors where Sida has had a very long-standing engagement; in each country, only a very limited number of sectors or areas of operation met this requirement.

Thematic case studies were used to assess the nature and impact of a package of interventions during different historical phases. Drawing on the provisional historical phases of Swedish development co-operation in each country, a set of two to three case studies were selected in each major phase to gain a deeper understanding of critical impacts and themes during each period.

The combination of longitudinal and thematic analysis is an innovative approach to longitudinal evaluation; it has enabled a comprehensive understanding of how Sida's aid effort evolved, as well as an understanding of impacts and lessons in key thematic areas.

2.2 SWEDEN'S DEVELOPMENT CO-OPERATION WITH LAOS, VIETNAM AND SRI LANKA

Table 2.1 sets out key features of Sweden's development co-operation with each country. It also presents the phases of development co-operation identified during the profiling of country development and Sida's corresponding country programmes. These phases were used in the selection of thematic case studies.

Table 2.2 highlights the case studies selected by phase for each country.

The findings and observations derived from quantitative analysis of the development context of each country and the qualitative analysis supported by the selected case studies are then summarised in Table 2.3.

Table 2.1: Swedish Development Co-operation with Laos, Vietnam and Sri Lanka

Feature \ Country	Laos	Vietnam	Sri Lanka
Years of Cooperation	38 (1974–2011)	45 (1967–2011)	53 (1958–2010)
Funds provided (US$) up to 2008[2]	714 million	3.46 billion	1.21 billion
Levels of Funding Compared to Other Donors During the Period.[3]	• Largest bilateral donor in each year from 1975 to 1993. • Second largest OECD bilateral donor during 1976 to 2008. • Provided 8.6 percent of total ODA during 1976 to 2008 (3.9 percent of total).	• Second largest ODA donor to Vietnam in the 1970s. • Largest ODA donor in the 1980s. • Fourth largest ODA donor in the 1990s. • Provided 64 percent of total bilateral ODA during 1980s. (36 percent).	• Sixth of the 24 OECD bilateral donors that have supported Sri Lanka. • Provided 5.5 percent of its bilateral ODA since 1960 (3.9 percent of total aid, bilateral and multilateral, to Sri Lanka over this period).
Phases of Development Co-operation	Phase I: 1974 to 1985 Economic Recovery and Reconstruction. Phase II: 1986 to1996 Building Institutions and Sharpening the Poverty Focus. Phase III: 1997 to 2010 Supporting Reforms, Human Rights, and Developing Capacity.	Phase I: 1969 to 1986 Rebuilding Infrastructure and Supporting Economic Development. Phase II: 1986 to 1999 Supporting Reform and Building Institutions. Phase III: 1999 to 2011 Tackling Poverty, Supporting Democracy and Human Rights.	Phase I: 1958 to 1977 Family Planning and Establishing the relationship. Phase II: 1977 to 2002 Supporting Nation Building and Tackling Disadvantage. Phase III: 2002 to 2009 Supporting Peace and Democracy.

[2] In constant 2008 prices.

[3] For Laos and Vietnam, these numbers do not include aid from the Soviet Union and other former Eastern Bloc countries owing to a lack of comparable data.

Feature \ Country	Laos	Vietnam	Sri Lanka
Number of Programmes and Projects[3]	102	194	215
Sectors and No. of Projects by Sector	Agriculture and Rural Development....1 Fisheries....0 Forestry and Natural Resources .... 21 Environment ....0 Electricity/Energy ....2 Transport and Roads ....13 Communications ....0 Health....8 Water and Sanitation....2 Public Admin and Governance . 21 Private Sector Development....0 Banking and Finance ....0 Education and Research ....16 Humanitarian....4 Gender ....2 Human Rights ....5 Conflict, Peace and Security....0 Other 7	Agriculture and Rural Development ....2 Fisheries ....0 Forestry and Natural Resources....30 Environment ....6 Electricity/Energy ....22 Transport and Roads....0 Communications ....0 Health ....22 Water and Sanitation....0 Public Admin and Governance .44 Private Sector Development....7 Banking and Finance....0 Education and Research....9 Humanitarian....2 Gender....8 Human Rights....3 Conflict, Peace and Security ....0 Other....39	Agriculture and Rural Development ....15 Fisheries .... 4 Forestry and Natural Resources.... 0 Environment .... 0 Electricity/Energy .... 5 Transport and Roads.... 6 Communications .... 5 Health .... 4 Water and Sanitation.... 1 Public Admin and Governance .... 0 Private Sector Development .... 31 Banking and Finance.... 4 Education and Research....41 Humanitarian.... 38 Gender.... 4 Human Rights.... 33 Conflict, Peace and Security .... 6 Other....18

[4] Source: Annex B, Country Reports: Long Term Development Cooperation between Laos, Sri Lanka and Vietnam and Sweden, Part One: Documentation, 9 July 2010.

Table 2.2: Case Studies Undertaken in Laos, Vietnam and Sri Lanka

	Phase Period, Description and Case Studies Undertaken by Country		
Phase / Country	Laos	Vietnam	Sri Lanka
Phase I	1974 to 1985 Economic Recovery and Reconstruction. • Case Study 1: Assistance to the Transport and Communication Sector between 1977 and 1986	1969 to 1986 Rebuilding Infrastructure and Supporting Economic Development. • Case Study 1 – Sweden's Early Support to the Health Sector • Case Study 2 – Bai Bang Paper Mill and the side-projects	1958 to 1977 Family Planning and Establishing the Relationship. • Case Study 1 – Sweden's Support for Family Planning
Phase II	1986 to1996 Building Institutions and Sharpening the Poverty Focus. • Case Study 2: Assistance to the Transport Sector • Case Study 3: Forestry Inventory Project	1986 to 1999 Supporting Reform and Building Institutions. • Case Study 3 – Sweden's Support to Economic Reform • Case Study 4 – 'From FCP to MRDP': Towards Participatory Rural Development	1977 to 2002 Supporting Nation Building and Tackling Disadvantage. • Case Study 2 – Support for the Kotmale Dam Project • Case Study 3 – Social Mobilisation and the Matara Integrated Rural Development Project • Case Study 4 – Tackling Disadvantage in the Plantation Sector – Badulla Integrated Rural Development Project – Plantation Schools Education Development Project

Phase Period, Description and Case Studies Undertaken by Country			
Phase / Country	Laos	Vietnam	Sri Lanka
			– Rehabilitation and Implementation of Education Reforms in Plantations Schools Project (RIERP) • Case Study 5 – Molecular Biology Research Co-operation
Phase III	1997 to 2010 Supporting Reforms, Human Rights, and Developing Capacity. • Case Study 4: Governance and Public Administrative Reform in Luang Prabang • Case Study 5: Developing Statistics Capacity within the Government of Laos • Case Study 6: Support to the National University of Laos	1999 to 2011 Tackling Poverty, Supporting Democracy and Human Rights • Case Study 5: Chia Se Poverty Alleviation Program • Case Study 6: Swedish Support to Public Administration Reform in Quang Tri Province • Case Study 7: Swedish Support to the Media • Case Study 8: Access to Justice Project • Case Study 9: Partner-Driven Co-operation	2002 to 2009 Supporting Peace and Democracy. • Case Study 6: Support for the Central Bank of Sri Lanka • Case Study 7: Support for Peace and Democracy

Table 2.3: Key Findings and Observations of Quantitative and Qualitative Analyses

Country / Analysis Type	Laos	Vietnam	Sri Lanka
Quantitative Analysis of the Development Co-operation Context	• Achieved strong multidimensional development and poverty outcomes since the 1990s, although still remains poor by developing country standards; • Received high levels of aid relative to population and GDP, and also relative to other foreign inflows; • Steady year-on-year increases in aid receipts; • Sectoral focus of development co-operation in Laos has been consistent with its pressing development needs; • Level of aid to Laos has been such that it would be reasonable to look for attribution between these inflows and national development outcomes in this country; • Aid operating environment became increasingly crowded in Laos, owing to large	• After suffering extensive damage during the Second Indo-Chinese War, Vietnam has achieved extremely impressive multidimensional development and poverty reduction outcomes since the early 1990s; • Achieved very high levels of economic growth since the early 1980s; • Doi Moi appears to have been extremely successful and is associated with these levels of economic growth; • Reasonably high levels of aid relative to population and GDP, and also relative to other foreign inflows; • Year-on-year increases in aid receipts have not been as stable as could have been; • Significant proliferation and fragmentation of aid financed activities in Vietnam;	• National development achievements were mixed, with evidence of declines in educational achievement and increased urban poverty in the early 2000s; • Often high but volatile economic growth; • Aid had declined relative to key national aggregates; • Government position to internal conflict hardened from 2005 onwards, making it difficult for donors that, like Sweden, pursued rights-based and related approaches; • Relatively small non-ODA inflows and hence limited augmentation of the official donor effort; • Yearly aid receipts were relatively unstable; and • Extensive proliferation of aid activities.

Analysis Type \ Country	Laos	Vietnam	Sri Lanka
	• increases in the number of donors in the country and the proliferation of aid supported activities; and • The total volume of aid to Laos leads to questions regarding the ability of its economy to efficiently use these inflows for development purposes given international evidence on absorptive capacity constraints.	• Level of aid to Vietnam has been such that it would be reasonable to look for attribution between these inflows and national development outcomes; • Total aid to Vietnam has not been at a level that was too high for its economy to efficiently absorb; and • Public financial management quality has trended upward since the 1970s.	
Qualitative Analysis of Swedish Development Cooperation Over Time	**Phase I: 1974 to 1985** Economic Recovery and Reconstruction • Addressed an important development need; • Was aligned to Government of Laos priorities; • Effectiveness was limited owing to a lack of co-ordination among donors and, in particular, limited local capacity;	• A "special relationship" developed between Sweden and Vietnam'; • Application of a long-term perspective has both contributed to, and arises from, the special relationship; **Phase I: 1969 to 1986** Rebuilding Infrastructure and Supporting Economic Development • Support to Bai Bang Paper	**Phase I and into II: 1958 to 1977** The Early Years • Support for family planning and tackling disadvantage in the plantation sector were the most successful activities from a poverty reduction perspective; **Phase II: 1977 to 2002** Supporting Nation Building and Tackling Disadvantage • Support for molecular biology research was highly successful,

Country / Analysis Type	Laos	Vietnam	Sri Lanka
	Phase II: 1986 to 1996 Building institutions and Sharpening the Policy Focus • Assistance to the transport sector was found to be effective; • The forestry inventory project was less effective – it did not achieve its intended results; **Phase III: 1997 to 2010** Supporting Reforms, Human Rights and Developing Capacity • More effective overall, building local human capacity.	Mill and the construction of hospitals was consistent with the needs at the time, though other infrastructure developments and health initiatives would have been more appropriate; **Phase II: 1986 to 1999** Supporting Reform and Building Institutions • Support for Doi Moi was considered very effective and assisted greatly in poverty reduction; **Phase III: 1999 to 2011** Tackling Poverty, Supporting Democracy and Human Rights • Emphasis on improvements in human rights, democracy and government accountability were fully consistent with needs and was effective support.	although it is debateable as to whether this from a poverty reduction perspective represented a pressing development need; **Phase III: 2002 to 2009** Supporting Peace and Democracy • Support for civil society groups, with the aim of increasing their capacity to engage in the peace and democracy process, was self-evidently of limited success.

2.3 RESPONSES TO THE KEY EVALUATION QUESTIONS

The primary question requested of the evaluations undertaken in each country was:

> *How, and to what extent, did Sida's development co-operation contribute to poverty reduction?*

The reference to 'contribution' in the primary evaluation question highlights the focus on exploring the plausible associations between Sida's aid and changes in poverty over the long periods of co-operation, rather than supplying definitive proof of any causal relationship between the two.

The country-based evaluations were also requested by Sida to address four other (sub-) questions. These are each set out below, together with a summary of the findings of each evaluation by country.

Answering the fourth sub-question draws together the analysis in sub-questions one to three to identify the most salient lessons for development co-operation programmes.

1. To what extent did Sida's aid respond to important multidimensional development needs of the country?

Laos

There appears to be clear evidence that Sida responded to pressing multidimensional development needs in Laos. Examples include:

- The Sida focus on building transport and communications infrastructure in the 1970s and 1980s was a response to the need to rebuild infrastructure owing to the damage done during the Second Indo-Chinese War in Vietnam.
- Sida's shift in the 1990s and beyond from the national road network towards provincial roads was an appropriate response to a pressing need to provide access to markets and health services for the rural poor.
- Support for the better management of forestry resources from the mid-1980s and for governance and public administration reform and greater statistics capacity from the mid-1990s was a response to increasingly recognised needs in these areas at the time.

- Sida's adoption in 1995 of poverty reduction as the overarching objective of its development co-operation programme in Laos was consistent with the extent of poverty at the time.

Vietnam

There is clear evidence that Sida responded to important multidimensional development needs in Vietnam. Examples include:

- Sweden's support to the Bai Bang Paper Mill and for constructing the Children's Hospital in Hanoi and the General Hospital in Uong Bi were, broadly speaking, consistent with the immediate needs after the war. However, closer examination of the development situation in Vietnam at the time would suggest that other economic infrastructure and health initiatives would have been more appropriate.
- Sweden's support for Doi Moi from 1986 onwards was fully consistent with the pressing needs of the economy running into trouble with low growth and productivity and when income poverty was extremely high.
- The shifts in emphasis of Swedish development co-operation with Vietnam in the period from 1999 to 2011 were fully consistent with the need for improvements in human rights, democracy and government accountability.
- Sweden's Chia Se Poverty Alleviation programme provided a more direct approach to poverty reduction by a combination of participatory methods, transparency, and a decentralised approach to collective decision-making.

Sri Lanka

There appears to be a high degree of consistency between Swedish development co-operation with Sri Lanka and the Sri Lankan Government's development priorities for the period up to 2004. The same cannot be said for the period after 2004, given the focus of development co-operation on peace and democracy.

- Evidence suggests that support for family planning and tackling disadvantage in the plantation sector were the most successful activities from a poverty reduction perspective and were fully consistent with and supported by government priorities.
- After 2004 Sweden did not engage with or support government priorities. Instead it supported civil society groups,

with the aim of increasing their capacity to engage in the peace and democracy process.

2. To what extent has Sida's development co-operation programme been effectively and efficiently delivered?

Laos

The evidence of effective and efficient delivery of Swedish development co-operation in Laos is mixed.

- Evidence of effective and efficient aid delivery is scarcest during the first phase of development co-operation, between 1974 and 1985. There is evidence of significant tying of its aid, of a lack of harmonisation among donors and, in particular, of very limited capacity to efficiently absorb aid inflows for development purposes.
- However, had Sweden not been as active a donor as it was in the first phase, it would not have established an important prerequisite for later effective development co-operation in Laos. That prerequisite is to be seen as a trusted, long-term development co-operation partner.
- The second and third phases of development co-operation between Sweden and Laos, between the years 1986 and 1996 and 1996 and 2010, respectively, saw much more effectiveness and efficiency in aid delivery. Aid tying was phased out; there was strong alignment with Government of Laos priorities, clear and seemingly effective attempts at harmonisation of donor activities and consistency between activities on the ground and the Swedish country program.
- The fact that Laos: (a) achieved strong multidimensional development and poverty outcomes since the 1990s; (b) received high levels of aid with steady year-on-year increases; and (c) directed development co-operation towards its most important development needs is pleasing from a development perspective. While alone they clearly do not provide sufficient evidence that aid to Laos has been effective, they are consistent with development effectiveness principles. Added to these findings are the results of a simple statistical analysis that pointed to positive associations between human development achievements in Laos and the total amounts of

aid it has received from the international donor community. The last three findings are not consistent with effective aid, and suggest that one should be cautious in causally linking the improved multidimensional development outcomes in Laos to the aid it has received, these associations notwithstanding.

Vietnam

The evidence of effective and efficient delivery of Swedish development co-operation in Vietnam is mixed.

- Evidence of effective and efficient delivery is scarcest during the first phase of development co-operation. While it seems that Sida's priorities were aligned with those of the Vietnamese government, there is evidence of significant aid tying. There is also evidence of a lack of capacity in the health sector, which adversely impacted on the effectiveness of Swedish support to that sector.
- The second and third phases clearly saw much more effective and efficient Swedish aid delivery in Vietnam. There was strong Vietnamese government ownership of the activities supported by Sida. Also these activities were very closely aligned to Vietnamese government priorities.
- With the exception of the finding regarding proliferation and fragmentation, the quantitative findings presented in Table 2.3 paint an optimistic view of development effectiveness in the country.

Sri Lanka

There is strong evidence that on balance the Swedish development co-operation programme with Sri Lanka has been efficiently delivered.

- Prior to 2004, there appears to have been a high degree of alignment with Sri Lankan government priorities and, to this extent, a commensurate degree of local ownership. There is also evidence of harmonisation with other donors. However this did deteriorate after 2004.
- From 2004 onwards, there is evidence that capacity among civil society organisations was built but the overall focus on peace and democracy was at odds with partner government ownership and alignment.

- The evaluation analysis also raised questions concerning the capacity of civil society to absorb and effectively utilise high aid flows; a serious question because a sizeable proportion of Swedish aid has been delivered through these organisations since the early to mid-2000s.

3. How and to what extent did Sida's development co-operation nurture an enabling environment for poverty reduction?

Laos

There is clear evidence that after a slow start Sida's development co-operation nurtured such an environment in Laos, or put differently assisted in the pre-conditions for sustained poverty reduction.

- Key elements in nurturing an enabling environment are local government capacity and removing impediments to poor people acting in a way that improves their living standards. Swedish support for governance and improved public administration has been successful, as has support for the National University of Laos and the State Statistical Centre. The benefits of this support are many and include better pro-poor service delivery, greater mobilisation of domestic revenues and a better evidence base for policy development and implementation. All of these benefits are conducive to greater poverty reduction and sustained development outcomes into the future.
- Support for provincial road construction has been important in enabling poor people to have better market and health services access, which is vital to improve their living conditions.

Vietnam

There is clear evidence that Sida's development co-operation nurtured such an environment in Vietnam, or put differently, that it assisted in the pre-conditions for sustained poverty reduction.

- This is strongly demonstrated by Swedish support for Doi Moi.

Sri Lanka

There is clear evidence that Sida's development co-operation nurtured such an environment for poverty reduction in Sri Lanka.

- Reducing fertility does not itself constitute poverty reduction, but it does enable an environment in which better health and education levels can be achieved and income poverty can be reduced. There is strong evidence to suggest that the declines in fertility in Sri Lanka from the late 1950s were higher than otherwise would have been the case had Sweden not worked with the Government of Sri Lanka in the area of family planning.
- Sweden effectively built the capacity of various civil society actors in the area of peace and democracy. Further there is evidence that Sweden contributed to an enabling environment for poverty reduction amongst the Indian Tamil community by improving access to education.

4. What lessons can be learned from Sweden's development co-operation with the country to improve development effectiveness in the future?

Laos

There are three main lessons learned from the evaluation of Swedish development co-operation with Laos:

1. Adopt a long-term approach, developing a sound relationship with the partner government that facilitates frank and open dialogue;
2. Pursue an effective balance between principles and pragmatism; and
3. Be flexible and learn while doing.

These are generic lessons for aid delivery, applying to both bilateral and multilateral co-operation. While they apply primarily to donors, they also provide important insights for partner country governments in their dealings with donors, in particular the first lesson.

Vietnam

There are three lessons learned, which if acted upon can improve future development effectiveness. These are:

1. To recognise the importance of relationships;

2. To adopt a long term approach – pursue an effective balance between principles and pragmatism; and
3. Be flexible and open to new ideas.

Sri Lanka

There are a number of lessons that Sweden and other donors can learn from this assessment of Sweden's aid to Sri Lanka over 53 years. The most salient lessons are:

1. Adopt a long-term approach;
2. Have a principal-led approach, but also be pragmatic; and
3. To be flexible and to understand the drivers of intended outcomes.

2.4 RESPONSE TO THE PRIMARY EVALUATION QUESTION

The primary evaluation question – *how, and to what extent, did Sida's development assistance contribute to poverty reduction in a particular country* – is rarely easy to answer for any development co-operation program.

The response from each Evaluation was as follows.

Laos

Aid levels to Laos are relatively high by international standards, and certainly large enough relative to its population and the size of its economy to expect some relationship between these inflows and development achievements. Donors have, it seems, responded to important national development needs within Laos and have provided relatively steady year-on-year aid levels. In the period 1986 to 2010 (Phases II and III in the description in the evaluation report), there also appears to have been co-ordination between donors, to the extent that a number of donors have harmonised their activities with those of Sweden. In addition, and fundamentally, there is clear evidence of solid gains in income poverty reduction, in health and education and in human development generally in Laos.

There is, however, evidence of poor donor practice in this aspect of harmonisation of Swedish aid delivery with other donors' activities and there is no reason to believe that this has not also occurred with other donors. There is also evidence of a lack of local capacity to use aid efficiently, aid levels in excess of that which might be efficiently absorbed, and increasing proliferation of aid activities in Laos.

On balance, it is reasonable to posit that the overall development co-operation effort in Laos has contributed to poverty reduction: at the very least poverty levels would be higher in Laos in the absence of such co-operation.

Sweden's effort needs to be judged in this context, but also against the evidence that its aid has been delivered effectively and efficiently and has addressed important development needs.

On these grounds it is entirely reasonable to conclude that Swedish development co-operation has made a substantive contribution to poverty reduction in Laos.

Vietnam

The evidence examined in the evaluation points to Swedish development co-operation with Vietnam having strong poverty reducing impacts.

While the exact extent to which Swedish development assistance has reduced poverty is a matter for broad estimation, it would appear to be beyond doubt that Sweden has worked with the Government of Vietnam to lift many millions of Vietnamese out of income poverty. The benefits of this assistance are almost certainly not limited to income dimension poverty alone, but to gains in other dimensions. It is a general rule, based on the findings of international research, that higher growth facilitates gains in health and education. There is no reason to believe that this rule does not apply in Vietnam. It can reasonably be concluded, therefore, that Swedish development co-operation has improved the health, education and overall human development levels of millions of Vietnamese citizens.

Sri Lanka

This is an especially difficult question to answer for development co-operation between Sweden and Sri Lanka.

Given that Swedish aid has constituted a relatively small share of total aid to Sri Lanka (no more than seven percent for any decade since 1960), it is highly unlikely that any poverty reduction recorded at a national level was due to Swedish aid. The only possible exception to this is Swedish aid during the period up to 1977, owing to its support for family planning.

Noting this possible exception, the most realistic conclusion is that Swedish aid contributed to the lowering of poverty at the margins. The precise extent of this contribution remains a matter of esti-

mation. The available evidence is consistent with having made such a difference up to 2002, largely due to its support for the plantation sector, which was a successful intervention that had meaningful multidimensional poverty reducing impacts for this segment of the population. It appears questionable in the extreme whether such a difference was made between 2003 and 2010, when some capacity was built in the civil society sector but this had no impact on the most pressing development issue of the day (reducing the ongoing conflict) as political and historical events essentially swept away Sweden's efforts in that regard.

3. Evaluation Study Findings: A Synthesis

3.1 INTRODUCTION

This chapter provides a synthesis of the findings arising from the country programme level evaluations. It commences with a comparative analysis of the relative achievements of Sweden's long term development co-operation with Vietnam, Laos and Sri Lanka. This analysis culminates in a reconsideration of key lessons learned from the three evaluations, in a comparative context, before enunciating the drivers of success for long term development co-operation based on these lessons. Building on this analysis the chapter then addresses each of the six guiding questions introduced in Chapter 1.

3.2 EVALUATION FINDINGS IN A COMPARATIVE CONTEXT

The original country programme level evaluation studies did not attempt to compare the degrees of success of the three development co-operation programmes against the multidimensional poverty reduction criterion. Nor did it seek to compare performance using the Aid Quality Evaluation Framework (AQEF), which was developed specifically for that evaluation. Each evaluation was a discrete study in this sense. Upon reflection, however, it became obvious to Sida that a comparative analysis would be useful and could highlight some meaningful aspects about Sweden's long term development co-operation in general, as well as suggesting some criteria that may inform future decisions regarding the phasing out, continuation and even the commencement of what might become a programme of long term development co-operation. The fact that a consistent framework and approach was used in each country makes this comparison possible.

When comparing the three development co-operation programmes, it is clear that the most successful was with Vietnam, a country that Sweden developed very close and special ties with over a 45 year period. Sweden's decision to support Vietnam with aid during the Second Indo-Chinese War was the foundation stone

of this relationship. As the evaluation findings suggest, the early years of this co-operation programme were problematic, particularly the Bai Bang Paper Mill and Hanoi children's hospital projects. Neither project was entirely consistent with the most pressing development priorities of the time: the hospital project gave insufficient attention to capacity building and the need for improved primary health care, and the Bai Bang Paper Mill Project was the subject of a number of criticisms, including cost over-runs. However both projects were based upon requests for support by the Vietnamese Government and therefore gave Sweden the opportunity to demonstrate solidarity with Vietnam during a very difficult period of Vietnamese history, and in so doing provided the foundation for the long and productive relationship that followed.

This relationship saw Sweden provide (from 1986 onwards) highly strategic support for Vietnam's Doi Moi programme of economic reform, which contributed to lifting many millions of Vietnamese out of poverty. Sweden was very well placed to provide this important support, as it maintained a continual presence in Vietnam during and after the Second Indo-Chinese War, when many other Western countries supported the American-led embargo of the country, which only ended in 1993. This commitment was very well received by the Government of Vietnam. Swedish support was influential in a number of ways, not the least of which was the Vietnamese Government's respect for the Swedish model of capitalism. The non-prescriptive nature of Swedish support was also important, as it allowed the Vietnamese to develop their own economic model of reform without undue external interference. The review of Sweden's support to reform demonstrated how this approach was much appreciated by senior Vietnamese counterparts.

The special relationship also enabled Sweden to engage with Vietnam in particularly sensitive areas such as human rights, anti-corruption and the media. In the 2000s this culminated in innovative support for the Chia Se Poverty Reduction Program, which instituted grassroots democratic planning processes, and in the programme of partner driven co-operation, which, having built on the enduring relations between Swedish and Vietnamese institutions, represents, in the Evaluation Team's view, a sustainable model of co-operation that will persist after development co-operation ceases in 2013.

There is also very strong evidence of close alignment between Swedish development co-operation priorities and those of the Vietnamese government. Above all, the evaluation of Sweden's development co-operation with Vietnam pointed to the importance of partnering for effective development aid, with the latter being conditional on the former. Indeed, if there is a dominant finding from the evaluations, one that stands above all others, it is the importance of the relationship between the partner and donor governments for effective development co-operation.

There are some similarities between Sweden's development co-operation with Vietnam and that with Laos and Sri Lanka. The most obvious is the long-term nature of the co-operation, and the fact that it straddled many different phases of the political and economic development of each country. Why where these other two development co-operation programmes less successful from a developmental, multidimensional poverty reduction perspective than the Vietnamese experience? There are numerous reasons for this, and many of them were largely independent of Swedish development co-operation efforts and well beyond Sweden's control. These include factors such as domestic politics, domestic policy, the relative importance of aid to economic growth and development, the developmental stage of each country, and the human resource capacity of the respective governments.

Confining our focus to those conditions over which Sweden had some control, there is one overarching reason for relatively poorer performance in Laos, and two reasons for relatively poor performance in Sri Lanka. In Laos, after a relatively ineffective start, Swedish development co-operation began addressing pressing development needs and aligned with local government priorities. Assistance to the transport sector from the mid-1980s and support to developing statistics capacity was judged to be particularly effective in this regard. Yet limited local capacity to achieve development results constrained what Sweden could achieve in Laos. Sweden recognised this and began to effectively address it, but this was arguably too late. Strong capacity building activities earlier in the partnership would have produced a stronger outcome at the end. One could argue, however, that this focus on capacity (and other so-called 'soft' approaches to development) was not part of mainstream development thinking in the early years of co-operation, where the focus in Laos and elsewhere was on 'harder' approaches. As can be seen from

the evaluation report, which outlined the history of Swedish projects in Laos, there was a noticeable evolution of Swedish support from 'hard' to 'soft' over the period of co-operation. This evolution mirrored changes in international development thinking more generally.

The reasons why the programme with Sri Lanka was evidently less successful are inter-related. The first is reasonably obvious. Sweden addressed a number of pressing development needs in Sri Lanka and many of its efforts were efficiently and effectively delivered and were aligned with local government priorities. Its efforts to tackle disadvantage in the Sri Lankan plantation sector were judged to be highly effective development assistance from a poverty reduction perspective. Yet, in the latter years, its development co-operation efforts were swept away by the on-going conflict and, in particular, the Sri Lankan government's response to this conflict from the mid-2000s onward. Neither the Swedish government nor many civil society actors predicted that the conflict would be as aggressively tackled as it was.

The second reason is less obvious. In Vietnam and Laos, Sweden was able to assess the drivers of, and constraints to, development and multi-dimensional poverty reduction, and was able to move to address them in a relatively strategic and coherent manner. This arguably happened too late in Laos, given the slowness of Sweden to address local capacity development issues, which were a significant major constraint. But in Vietnam this adaptation was strategic and overarching, particularly from the late 1980s; and it focussed on the main game, which was economic reform. In Sri Lanka, Sweden did not appear to have a realistic appreciation of the determinants of conflict, nor did they have a sufficiently overarching strategy regarding conflict resolution and development. With such an appreciation Sweden may have looked beyond building the capacity of local NGOs to push for peace, human rights and democratisation, and may have instituted more cross-cutting approaches earlier in the partnership. It should be remembered that Sweden was the first western donor to Sri Lanka and generally had good relations with the Government up to 2005. However a strategic and coherent policy in relation to conflict and development did not arise until many years after the initial large scale conflict with Tigers of Tamil Ealam in 1983. Sweden's approach did not sufficiently address the 'main game' in Sri Lanka, which was clearly the ongoing conflict. Put more succinctly, Sweden did not sufficiently learn while doing and

did not find an appropriate balance between principles and pragmatism in Sri Lanka.

The preceding analysis draws, to a large extent, on both the characteristics of Swedish development co-operation with the three countries and the key lessons identified in each evaluation study. The lessons learned are not identical for each country but overlap to a large degree. From the lessons it is possible to extract the following drivers of successful development co-operation:

- have a long-term approach;
- be flexible and learn while doing;
- be principle-led; be pragmatic; and
- develop a good relationship with the partner government.

Table 3.1: Lessons Learned Reported in Evaluation Studies

Swedish Development Co-operation Programme	Lessons Learned
Vietnam	1. To recognise the importance of relationships; 2. To adopt a long term approach – and pursue an effective balance between principles and pragmatism; and 3. Be flexible and open to new ideas.
Laos	1. Adopt a long-term approach, developing a sound relationship with the partner government that facilitates frank and open dialogue; 2. Pursue an effective balance between principles and pragmatism; and 3. Be flexible and learn while doing.
Sri Lanka	1. Adopt a long-term approach; 2. Have a principle-led approach, but also be pragmatic; and 3. Be flexible and to understand the drivers of intended outcomes.

A matrix can be constructed around these drivers, and assessments have been made of the extent to which these drivers contributed to the success of the development co-operation programmes in Vietnam, Sri Lanka and Laos. The matrix is presented in Table 3.2. By way of explanation:

- four asterisks indicates that the driver influenced the programme in an extremely positive way, helping it do achieve success;
- three asterisks indicates that it contributed in a positive way;
- two indicate a low degree of influence; and
- one suggests it have been absent.

Thise assigning of asterisks is not the result of a formal analysis, but is impressionistic in nature, being based on the reflections of the team that undertook the original evaluations. They should be interpreted in this vein. The meaning of the drivers' themes is reasonably self-evident from the preceding discussion, although some clarification is required for the drivers described as 'flexibility' and 'principle-led'. Flexibility should not be viewed as Sweden operating in a self-interested opportunistic manner, but as the ability to change what it is doing and respond to development conditions within the partner country. Sweden's shift toward supporting Doi Moi in Vietnam is an example of flexibility. Principle-led development co-operation is acting in accordance with the donor's own principles, such as a respect for human rights and democratisation, and not necessarily those of the partner government.

Table 3.2: Drivers of Success in Development Co-operation

Driver	Swedish Development Co-operation Program		
	Vietnam	Laos	Sri Lanka
Long-term Approach	****	****	****
Flexibility	****	****	****
Learning While Doing	****	**	** (up to 2005) * (2005 onward)
Principle-led	****	****	****
Pragmatism	****	****	**** (up to 2005) * (2005 onward)
Good Relationship with Partner Government	****	***	** (up to 2005) * (2005 onward)

What is most striking from Table 3.2 is the relative absence of a good relationship with the Sri Lankan government, and in partic-

ular the strained relationship with it from 2005. This coupled with the relatively low assessments regarding pragmatism and learning while doing, have been key determinants of the relatively low degree of success of the programme with Sri Lanka. What differentiates Vietnam is the extent to which success has been driven by the relationship between the Vietnamese and Swedish governments.

3.3 RESPONSES TO GUIDING QUESTIONS

1. Are there common features of Swedish development co-operation with all three countries, besides the long-term approach?

The common features across all three countries, in addition to a long-term approach, are flexibility and the principle-led approach. These two drivers are given four asterisks in each country in Table 3.2 above.

Flexibility, including openness to new ideas, is evident in the way Sweden approached a sector, implemented projects, responded to opportunities, and addressed challenges across the three countries. In this context, flexibility refers to the capacity to adapt programmes in response to changing development circumstances in a partner country. There are many examples of this throughout the three countries. The decision to move towards an explicit focus on poverty reduction and to support the Chia Se programme in Vietnam (as opposed to just continuing on with a less than desirable, but safer, rural development program) is a particularly poignant example of this. This demonstrated that Sida was not 'path dependent' in the rural development sector but willing to adapt to changing circumstances, and confront the institutional 'stickiness' that often complements long term sectoral support. Such an approach was also witnessed in the Plantation Schools programme in Sri Lanka and the Roads programme in Laos, where significant reinventions of those sectors occurred due to the openness and flexibility of the Swedish approach. This could be referred to as 'sectoral flexibility'. In this instance a donor is not leaving a sector per se but reshaping its approach to that sector.

Sida's flexibility also extended to the implementation of programmes and projects within sectors. The history of the Swedish Agency of Research Cooperation (SAREC)-funded molecular biol-

ogy project in Sri Lanka highlighted how a flexible approach to aid delivery, over a long period of time, is required when building capacity in a developing country. The relatively non-prescriptive nature of Swedish support and the willingness to accept that unforeseen circumstances can disrupt timelines and affect outputs were important characteristics that contributed to the success of this project over time. This could be referred to as 'implementation flexibility'. The capacity to be flexible in this regard largely stems from a thorough understanding of the situation on the ground and an inherent trust in the capacity of key individuals.

Flexibility and a willingness to consider new ideas are important to long-term development effectiveness. Without these characteristics the trajectory of long-term development co-operation risks becoming 'path dependent' – a process whereby early decisions unduly shape and constrain subsequent choices. This inability to reshape programmes and modify partnership arrangements can have significant development effectiveness implications. As mentioned, the transition to Chia Se in Vietnam demonstrates that Sweden was not constrained by previous choices (in this case, the choice of partner agency) in the pursuit of new approaches. In fact, this case study demonstrates how Sweden was prepared to negotiate difficult political dynamics in order to proceed with an initiative that offered greater potential for effective multidimensional poverty reduction.

There is evidence that some of this willingness to adapt and modify programmes and sectors was influenced to a high degree by organisational learning. It is a perspective that emerges strongly from the case study of Sweden's involvement in the roads sector in Laos. Regular evaluations played a key role in maintaining the focus on institutional development and driving refinement of the basic access component. The latter was particularly important in sharpening the poverty-reducing impact of the roads constructed. A range of analytical inputs commissioned by Sida at various stages facilitated an increasingly sophisticated approach to the institutional development efforts. While not always successfully incorporated into practice, these efforts are indicative of a donor attempting to come to grips with emerging challenges.

If we review the above, it is evident that the capacity to be flexible and to adapt to changing circumstances in an appropriate and effective manner stems in part from having a strongly positive relation-

ship with a recipient country, emphasising organisational learning, trying to understand the practical issues that face partners in developing countries, having realistic expectations (based on a thorough understanding of these practicalities) and trusting key partners. Having a strongly positive relationship with the partner government was absent in Sri Lanka from the mid-2000s onward, and it is largely on this basis that this programme is judged by to be the least effective, (compared with Vietnam and Laos), in terms of the poverty reduction criterion on which the primary evaluation question is based.

The other common feature was the principle-led approach, which was present throughout the entire history of engagement in all countries. A set of core principles remained at the heart of Sweden's approach from the commencement of development co-operation in these countries to the phase out. These principles were not always enshrined in policy but are evident in even some of the earliest documentation and policy stances. The decision to support family planning in Sri Lanka, which was a contentious issue at the time, is an early example of this. So too is the subsequent decision not to support the Sri Lankan government's sterilization agenda. The most poignant example of this principle-led approach is, of course, the decision by the Swedish Government to support Vietnam with aid during the Second Indo-Chinese War.

Later examples of this included the determination to focus on the poor and marginalised in the Plantation sector in Sri Lanka, and the rights-based approach enshrined in the Global Policy for Development, which manifested in support for civil society in Sri Lanka and democracy and human rights in Laos and Vietnam. Interviews with other donors and government officials from all three countries, confirm that Sweden was, by and large, viewed as a "progressive" donor, prepared to take a stand on issues such as human rights. Striking a balance was not always easy however. On the one hand, Sweden occupied a unique position among donors (particularly in Vietnam and Laos) and was able to raise politically sensitive issues. On the other, however, Sweden had arguably more to lose from pushing the limits of the 'special relationship'. By this it is meant that a diplomatic fall out with Vietnam would be costly in terms of the damage it could do to Sweden's international standing in diplomatic and other circles.

2. Are these features due to the length of stay in the country or could they have come about in other ways?

As the 'principle-led' and 'flexibility' features were evident at the highest levels in all three countries, it might be reasonable to posit that these are ubiquitous characteristics of Swedish aid more generally and by-products of the long term approach in which trust and mutual understanding were important. This interpretation is only partly true. The principle-led approach is a ubiquitous characteristic of Swedish aid that is not dependent purely on time. This feature is shaped by both institutional and cultural factors. The institutional factors include the policy stances of successive Swedish governments, and the subsequent conversion of policy into practice in areas like gender, the environment, poverty reduction and a rights-based approach. The evaluation reports in each country all recount examples of how policy stances within the Swedish parliament, or within Sida, translated to (sometimes significant) modifications of existing programmes, and reshaped country strategies.

The cultural factors underlying the principle-led approach include the individual and socio-cultural characteristics of Swedish representatives in the country, and the general 'Swedish' presence, which was associated with notions of progressiveness, political neutrality, fairness and openness. Many respondents commented on the importance of having a 'Swedish' presence in the country. If one considers the entire donor landscape in each country then it is clearly very important to have a myriad of different donor philosophies and 'personalities', and it is from this perspective that many partner government officials lamented the phasing out of Swedish aid. This 'Swedish' influence also extended to the model of Swedish capitalism, which a number of very high level economists from within the Vietnamese Communist Party mentioned contributed positively to their acceptance of market-based principles.

The flexibility feature may be less demonstrably 'Swedish', as it is dependent on a number of factors, including: a commitment to organisational learning (where new knowledge can inform the optimal design of a program); the existence of a strong relationship (which is robust enough to allow for significant change without causing damage); and an understanding of what is practical and likely to succeed in a country given its political, social and economic configu-

ration. A number of these factors (particularly the strong relationship) are dependent on time, so the long term approach is important in that respect.

Institutions need to be open enough to consider new ideas, but to be effective they also need the capacity to act and adapt. In our view Sweden largely demonstrated this capacity in each of the three countries.

3. What are the links between these features and the factors that have impeded or contributed to the success of Sweden's development co-operation?

As information in Table 3.2 suggests, the principle-led approach and the demonstration of flexibility and openness were drivers of success in all three countries. There were, however, a number of factors that interacted with these features and affected the success of Sweden's development co-operation in the three countries. One of the most obvious was the disjunction between Sweden's principle-led approach in human rights and democracy and the political stances of the respective countries. This played itself out most starkly in Sri Lanka. In the latter years of co-operation, Sweden's strident commitment to democracy and human rights was in some respects responsible for the deterioration in relations between Sweden and Sri Lanka that was evident at the time of the embassy closing. In the Evaluation Team's view Sweden (and indeed many other donors) failed to understand the immensity of the change in the political stance of the Government of Sri Lanka. This does not necessarily imply that co-operation with the Sri Lankan government should have ended sooner than it did, simply that the programme be tailored to what could be realistically achieved in Sri Lanka at the time.

The deteriorating human rights situation in Sri Lanka, and the scaling up of the war effort and associated atrocities was an anathema to Sweden, which voiced its opinions on these issues in international forums and provided direct support to civil society groups, virtually closing down dialogue with the government. This position was criticised by some donors who continued to work with the government directly, and who continue to do so in the peace and democracy space. If, as is argued (and demonstrated by the Vietnam experience), relationships matter to development effectiveness, then

it is clear that when a focussed commitment to principles changes the dynamics of donor-recipient relationship, then the success of development co-operation between the two countries will be compromised. The principle-led approach also played itself out in less overt ways in Laos and Vietnam, where Sweden had much more success engaging with those governments on sensitive matters. Clearly, in those countries there were not the overt conflict and human rights abuses that existed in Sri Lanka but there were nevertheless clear concerns within the Swedish government that the pace of reform was not quick enough.

As the evaluation reports highlighted, one of the major insights arising from the evaluations, particularly from the application of the evaluation framework, was the extent to which the Swedish model of development co-operation in the 1980s and 1990s demonstrated many of the characteristics and principles that would subsequently form part of the Paris Declaration on Aid Effectiveness. Ownership and alignment were particularly strong characteristics in this regard. This arose from the strong relationship between countries (which emphasised dialogue and the pursuit of agreed goals) and the flexible nature of Swedish aid delivery with its focus on poverty reduction and aligning with government priorities. Significant emphasis was also placed on conducting thorough studies on development challenges in all countries, and this high level analysis seems to have been reasonably well integrated into development strategies. Evidence from the country-level evaluations suggests that as the aid effectiveness agenda increased in importance in the development sector, Sweden was looked upon as a leader in this regard, both with in-country partners and with like-minded donors and in many areas Sweden led the agenda.

4. Depending on how well-placed a donor might be to achieving its developmental objectives in a country, what implications does a decision to phase out have on the sustainability of these achievements?

The following discussion about sustainability operates at two levels: the first relating to the sustainability and effectiveness of bilateral sectoral engagement and how this is affected when a trusted donor departs a sector; and the second to the more traditional notion of sustainability at the project or programme level.

As mentioned throughout this report, one of the most significant findings arising from the three country-level evaluations is the important role donor-recipient relations plays in the effective delivery of aid. As the case of Sri Lanka suggests this is not just about long term engagement, although that is important. It is also about building a special relationship with a recipient country. As the case of Vietnam suggests the building of such a relationship requires significant political support, as well as strategic, but non-prescriptive development co-operation in high priority sectors. An example of this was Sweden's strategic support to the Doi Moi reforms over a long period of time in Vietnam.

These relationships are not easily replaced or substituted (as they are built on political and social capital), and when a donor with such a strong relationship phases out development co-operation with a recipient country we would expect the aggregate level of aid effectiveness to reduce, particularly in those sectors where that relationship was strong and where the donor had significant influence. This arises because a special relationship allows for a much more strategic approach in sensitive and priority areas than would be expected in its absence. This may include influencing policy and legislative change at the national level, which, as is well known, is an important driver of sustainability as it may support programme and project level outcomes. Clearly an inability to influence policy makers at a national level can affect the sustainability of achievements. In some respects all donors operating in a sector can benefit from a special relationship if that relationship can be used to influence the development of high level policy or legislation that supports achievements in that sector.

The example of the media sector in Vietnam is a good case in point. Sweden has been the sectoral lead in this area for a long time and had developed a lot of trust with the relevant government ministry, and with many journalists and media professionals throughout Vietnam. Upon Sweden's departure from this space there was some speculation that the United Kingdom would lead the donor effort in this area, but it was clear from the data collected that Sweden's departure could not be easily replaced, and that it would take much time indeed for another donor to operate as effectively in that space occupied by Sweden. The same applies, perhaps even to a greater degree, to other donor efforts to assume Sweden's lead role in anti-

corruption in Vietnam. There were a number of examples about how sectoral effectiveness will be affected by Sweden's departure. This was most evident in Laos and Vietnam.

In line with the above rationale, it is reasonable then to assert that the sustainability of Sweden's achievements in each country may well be affected by their own departure, particularly in those sectors where it was an influential partner. This is why it is important from an aid effectiveness perspective to ensure that another influential donor can succeed a 'special' donor upon their departure. It is accepted that this may just not be possible in some countries due to the country's history or the limited nature of such relationships. A new lead donor may not have the same influence as the departed donor but every effort should be made to ensure that there is an opportunity for this donor to operate as effectively as possible in this space, and this may involve some sort of succession planning. If the special relationship-effectiveness-sustainability hypothesis is followed through to its logical conclusion then it would suggest that the donor with the best relationship in each sector should lead support in that sector, influencing high level decision-making on behalf of all other donors and thus improving the aggregate conditions for sustainability; we appreciate however, that politics, in-country donor capacity, and recipient country decision-making structures may preclude this from happening.

For these reasons, it can be suggested that the decision to phase out development co-operation should be founded on an appreciation of the depth and breadth of the relationship between the donor and recipient, and after an analysis of the strengths of that relationship has been undertaken. In those countries where a strong, productive or 'special' relationship, exists serious consideration should be given to not phasing out co-operation. This is not to say that the donor should necessarily remain in the country, just that a possible phasing out requires particularly careful analysis given the importance of relationship for development effectiveness. This relationship analysis could be complemented by poverty and governance (corruption, form of governance and so on) variables in a decision-making matrix that could be used to prioritise countries to be phased out (or otherwise), if that is the political requirement. Such an analysis should be a transparent approach to decision-making in this area and would

highlight the nexus between the diplomatic and development domains in Swedish foreign policy.

5. What do the evaluations say in terms of Sweden's involvement in one-party states and the effectiveness of its contributions?

One of the most interesting findings from the comparative evaluation is that the most effective development co-operation was between Sweden and the two one-party states, namely Vietnam and Laos. Much of this was because of the strong relationship that existed between Sweden and these two countries, but there were also other important factors. For example, if we look at the results of the AQEF analysis we can see that aid from all donors has had the biggest impact in Vietnam, where the government has strong ownership of the development agenda, as would be expected in a one-party state. Vietnam also has significantly more capacity to implement its development agenda compared to Laos for example, and much less political disruption and internal conflict than Sri Lanka has had since 1983. As our analysis suggested, aid to Vietnam (from all donors) was more effective than aid to the other two countries, and Sweden's aid was itself very effective because of the special relationship, and the strategic nature of the development co-operation.

This may not be the place to discuss the developmental benefits of democracies versus one-party states, but it is clear from this small sample that Sweden's support to Vietnam was clearly the most effective in reducing poverty. Much of this poverty reduction arose from the significant changes to the economy that accompanied the Doi Moi reforms. As such we may suggest that the combination of state control and planning capacity coupled with economic reforms has acted to significantly reduce poverty in Vietnam. This is undoubtedly one of the reasons why Vietnam has been heavily supported by the international donor community – it converts aid funds into achievements. Interesting further research could include assessing the effectiveness and poverty reducing impact of aid to one-party states that have adopted a reform agenda and comparing it with 'democracies', which in some places are democracies in name only. The main consideration should perhaps not be a political one but more of a focus on improving the capacity of states to own their development agenda and supporting them to do so.

A nagging question that emerges from the evaluations, and the synthesis of their findings, is whether Swedish development co-operation is more effective in one-party than multi-party states. The reasoning behind this question is twofold. First, it is easier to develop a relationship over time if the governing party does not change. Second, one-party states tend to have longer-term priorities, thereby providing donors more time to align to these priorities, to learn and adapt. Relationships, a long term approach, learning by doing and the flexibility to adapt are all characteristics of Swedish aid and reasons for its success in Vietnam and Laos. To conclude on these grounds that Swedish development co-operation is more effective in one-party states than others would be premature and inappropriate. What is not inappropriate, however, is to call for analytical and empirical work that provides a greater understanding of relationships in a development co-operation context.

6. What lessons learned from Sweden's long-term co-operation can be of use when a conflict arises in a country with which it is engaged in long-term development co-operation?

The lessons from the Sri Lankan evaluation suggest that for those donors who adopt a principle-led approach to development, and seek to contribute to resolving conflict, then significant attention needs to be paid to determining the exact nature of the social and political factors that underlie conflict in order to design interventions that address its underlying causes. Sweden was the first western donor in Sri Lanka, but it did not develop a coherent approach to conflict and development until many years after the initial significant conflict between the Government of Sri Lanka and the Tamil Tigers in 1983. The failure to do this is in some respects another example of how development thinking has evolved over time; the conflict perspective is a relatively late addition to development thinking within donor agencies, and it is difficult to blame Sweden for not adopting this perspective when it simply did not exist. The fact nevertheless remains that Sweden could have adopted a more mainstreamed and cross-cutting approach to conflict and development much earlier on (especially in the late 1990s when the conflict perspective started to infiltrate Swedish designs and strategies). This could have included community-based approaches to conflict resolution and the incorporation of conflict as a cross-cutting theme within development pro-

grammes more generally. However, it is recognised that this suggestion is relatively easy to make in retrospect.

Understanding the drivers of conflict is particularly important as it may help pre-empt future conflicts; significant time and resources should be spent ensuring that Sweden has a good appreciation of these drivers. As the Sri Lankan evaluation report suggested, Sweden's support to the Plantation Schools Sector helped contribute to improving the quality of life of Indian Tamils. The Sri Lankan report discussed the importance of this support from a poverty reducing perspective but also mentioned the importance support like this played in reducing the chances of conflict arising from the economic and social marginalisation experienced by Indian Tamils. This interpretation has been supported by Sri Lanka political scientists and included as a rationale in later Swedish designs. In this case Sweden's commitment to support the most economically marginalised subset of the Sri Lankan population may have contributed to pre-empting conflict. In countries with a Swedish presence, where latent conflict resides, similar attention should be paid to addressing those factors that may contribute to the outbreak of conflict.

One of the other important insights arising from the Sri Lankan evaluation was the relative lack of disruption the escalating conflict had on the development co-operation strategies of other donors compared to Sweden, which after 2005 made conflict resolution the centrepiece of its development co-operation strategy. This reflected the strong principle-led approach adopted by Sweden. Unlike the Swedes and Norwegians, many other donors (particularly those that followed a more technical agenda) did not prioritise the conflict in their development co-operation, or take it upon themselves to directly confront the government about the escalating civil war, and they certainly did not resort to directly funding peace and democracy civil society organisations. Sweden and Norway did so out of principle, and while it affected the development co-operation relationship with the Government of Sri Lanka, it is difficult to see what else a 'principle-led' donor could do in this circumstance. In fact it could be argued that in the changing world of development co-operation, and given the rise of non-traditional donors, such principle-led stances are an important part of the donor landscape. In this environment, donors such as Sweden would do well to develop a compre-

hensive appreciation of the donor landscape in conflict afflicted countries in order to better understand the scope for influence.

3.4 CHAPTER SUMMARY

This chapter synthesised the findings arising from the country programme level evaluations, by providing a comparative analysis of the relative achievements of Sweden's long term development co-operation with Vietnam, Laos and Sri Lanka. This analysis culminated in a reconsideration of key lessons learned from the three evaluations, in a comparative context, before enunciating the drivers of success for long term development co-operation based on these lessons.

The chapter then turned to its principal task, which was the provision of responses to each of the six guiding questions introduced in Chapter 1.

Two issues touched on in the chapter are worthy of further comment. The first concerns relationships, which are considered a key factor determining the effectiveness of development co-operation. Greater understanding of this issue is warranted. While the provision of such understanding is beyond the terms of reference for this report, some further comments on this matter will be made in Chapter 5, the conclusion.

It can be suggested that the decision to phase out development co-operation should be founded on an appreciation of the depth and breadth of the relationship between the donor and recipient, and after an analysis of the strengths of that relationship has been undertaken. In countries where a strong, productive or 'special' relationship exists, serious consideration should be given to not phasing out co-operation. This relationship variable could be complemented by poverty and governance (corruption, form of governance, etc.) variables in a decision-making matrix which could be used to prioritise countries to be phased out (or otherwise), if that is the political requirement. This type of analysis could be a transparent approach to decision-making in this area and would highlight the nexus between the diplomatic and development domains in Swedish foreign policy. We return to this complex issue below, in Chapter 4.

4. Phasing Out or Remaining: Towards General Decision Making Criteria

4.1 INTRODUCTION

A decision to stay in or phase out of a country will inevitably be made on a range of developmental and non-developmental criteria. Developmental criteria – those relating to the promotion of living standards in recipient countries – might receive a low weighting in decisions. This is not without validity as donor governments have a responsibility to take into account many often competing considerations relating to broader foreign policy and domestic economic and political considerations. Yet even if developmental criteria are ignored in deciding to stay in or phase out of a country, knowledge of the development implications of the chosen decision is needed so that the developmental opportunity costs of phasing out or remaining in a country can be appraised.

This chapter turns to the principal task addressed by the synthesis report: to provide some general criteria that can inform the decision-making process with regard to the phasing out (or otherwise) of development co-operation in partner countries. The criteria are in the form of six questions that can be asked about any donor development co-operation programme with a partner country. The chapter then considers a systematic, total aid programme wide, application of these questions.

4.2 STAYING OR GOING: KEY QUESTIONS

The donor country decision to end or continue development co-operation with a given partner should firstly address a number of focusing questions. Concentrating purely on developmental issues, the first and most fundamental question is as follows:

1. **What are the principal, over-riding developmental objectives of the development co-operation programme with the partner country?**

Donors tend to have a hierarchy of objectives in country programmes. Objectives also can change over time. Yet in most or

many cases there will be an overall objective that will be constant over time. Typically it will be the achievement of sustainable development and/or poverty reduction. To many donors these objectives are indivisible. Donors can also impose an over-riding objective even if it has not been pursued explicitly or consciously in a country program. The bottom line, however, is that donors do need to ask themselves what they want to see achieved in the partner country if they are to make informed decisions as to the continuation of their program. Note that this objective is framed in a way that it is not necessarily what the donor itself wants to achieve, but what the donor wants to happen in the partner country per se. This distinction is explained more below.

In what follows we shall assume the over-riding objective is multi-dimensional poverty reduction in the partner country, which was the criterion used to evaluate the above mentioned evaluation reports, those of development-co-operation with each of Laos, Sri Lanka and Vietnam.

Having determined what the over-riding objectives of the country programme are, the next question to address is as follows:

2. To what extent have these objectives been achieved?

Answering this question requires an evaluation of the multi-dimensional poverty-reducing impact of the country program. This evaluation needs to go further than concluding whether the donor development co-operation programme with the partner in question has reduced poverty, given that a decision is to be made about ending or continuing this program. The evaluation could consider whether poverty in its key dimensions has been eradicated in the partner country in question. This would, however, be an unrealistic criterion given that poverty in one dimension or another exists in most if not all donor countries. A more appropriate criterion is whether the partner country is on a path to sustained poverty reduction, in which it has gained the ability to reduce poverty with its own resources. Put differently, the criterion is that the partner country can achieve further sustained poverty reduction without development co-operation support from donor countries. Donors withdrawing from some partners that have achieved middle income is broadly consistent with this criterion.

If the answer to this question is a clear yes, then there is an obvious developmental case for phasing out development co-operation with the partner country in question. The phasing out need not be immediate, with a rapid winding back of the level of development co-operation. A gradual, staged phasing out could be introduced that commences with changes in the types of aid that are provided to the country. Such changes could occur even if the donor decides to remain in the country but withdraws from support to that sector for any reason.

An interesting characteristic of this question is that the donor in question need not have contributed to putting the partner on a path to self-sustaining sustained poverty reduction through its own resources. Yet for reasons that will become clear below, the evaluation will, however, need to establish whether the donor has been able to contribute to this outcome.

If the answer to the second question is that the partner country does not have the ability to achieve sustained poverty reduction without the assistance of donors, or, put differently, that the donor objectives for the country have not been fully achieved, the following question needs to be addressed.

3. If these objectives have not been fully achieved, is there any potential for them to be achieved by the donor in question?

Addressing this question requires an understanding of the drivers of success. For instance, in the case of Sri Lanka, assuming that the principal reason why Sweden wanted to see an end to violent conflict in that country was so that it could be put back on a path to sustained multidimensional poverty reduction, this required an understanding of the drivers of conflict eradication and which of these drivers Sweden could realistically influence. The above mentioned evaluation, that on which staying or going decisions are based, should be able to inform the answer to this question. Key among these drivers, as alluded to above in Chapter 3, is the relationship between the donor and partner country. As also alluded to in that chapter, a transparent matrix type approach could be used to inform answers to question 3.

If the answer to question 3 is no, then a developmental case for phasing out is provided. But a yes to the answer does not necessarily

provide a case for staying. If the answer is yes, the following question then needs to be addressed, again with the assistance of an evaluation.

Questions regarding time also need to be factored into the response to question 3. A donor might decide that while there is potential for the objectives to be achieved, the time frame for doing this might be deemed to be too long. Precisely the length of which might be considered to be too long is a matter over which the donor would have to exercise considerable judgment. There would appear to be no hard and fast rules that can be applied to this issue. Similar judgments are required of the volume of funds required to achieve the objectives in question.

4. If they are not achieved, what is the likelihood of the donor group that remains in the partner country achieving them?

This question arose directly in the evaluations of Swedish development co-operation with Laos and Vietnam. Swedish support for improving statistics capacity in Laos was very favourably evaluated, with it being considered to be a case of effective development co-operation. Concerns were expressed, however, of the sustainability of the progress in building this capacity, given a perceived inability of the authorities in Laos to conduct analytical statistical work without Swedish support. This is presumably an area in which other donors can step in where Sweden has stepped out. This was not, however, the case with Swedish work on reducing corruption and addressing human rights issues in Vietnam. This work is highly sensitive, and there were real concerns that other donors did not have the type of relationship with the Vietnamese government that Sweden had in order to take this work forward. Had this work been the prime focus of Swedish development co-operation with Vietnam, and that reducing corruption and improving human rights were prerequisites for achieving sustained poverty reduction, then this would have provided a strong (necessary, but not sufficient) developmental case for Sweden staying as a donor in Vietnam.

If the answer to question 4 is that the likelihood of donors that stay is limited, then combined with a yes to question 3, a case for staying is provided. But it is only a partial case, as is now explained.

4.3 STAYING OR GOING: TOWARDS A SYSTEMATIC APPROACH

A donor decision to engage or not to engage in development co-operation with a developing country is not made in a vacuum. No donor engages in development co-operation with only one partner country. Donors have a suite of partner countries and decisions about phasing out of any one need to be determined in a relative context, taking into account information about all programmes with partners. If the questions are asked of a sub-set of the co-operation programmes of the donor in question, it could be the donor remains in a number of countries in which its aid is having no positive development impact. Taxpayer money is wasted as a result, and the donor's overall aid programme is achieving sub-optimal results. It follows that the questions should in principle be asked of all of the partner country development co-operation programmes of the donor in question. If this is not feasible in practice, then it needs to be asked of those in which the donor has a substantive engagement in a budgetary sense.

Such an exercise requires a systematic approach to "staying or going" decisions that involves more than asking the above questions about each partner country program. It is not beyond the realms of possibility that the answers to these questions for every partner programme under consideration would tell the donor to stay in each, despite broader considerations dictating that the donor has to reduce the number of partner countries. These considerations could be budgetary, with there being a perceived need to reduce the size of the donor's total aid spending, or they could reflect a desire on development efficiency grounds to reduce the number of country programmes by reducing donor proliferation, duplication of effort with other donors and so on. Alternatively, it might be the case that on these considerations the asking of these questions would result in responses that would dictate that the donor stay in too many countries.

What is required is some way of ranking programmes with partner countries in terms of how strong the case is for staying. That is, for all countries in which the answers to the above questions would indicate the donor should stay, a ranking among them would need to be developed. Such a ranking could be derived using qualitative and

quantitative methods. The strength of the positive response to question 3, which focuses on the drivers of successful development co-operation, is central to this analysis. Indeed, the ranking could be developed in answering question 3, and as such also used to identify programmes for which the answer is in the negative, indicating phasing out.

One way a ranking could be achieved has been alluded to above, in Chapter 3. That is, the ranking could be founded on an appreciation of the depth and breadth of the relationship between each donor and the recipient, and after an analysis of the strengths of relationships has been undertaken. And as noted above this type of analysis could provide a transparent approach to decision-making in this area and would highlight the nexus between the diplomatic and development domains in Swedish foreign policy. It would involve a nuanced, vertical discussion of the development co-operation programmes under consideration involving a broad range of donor stakeholders, including those working in each partner country. This is not to say that the analysis would provide purely diplomatic assessments, but simply be cognisant of the importance of diplomacy for achieving development results.

Another approach would involve an adaptation of the aid allocation models used by the multilateral development banks, most notably the World Bank International Development Assistance (IDA) resource allocation system. This system is used to allocate IDA aid funds in a transparent, formulaic way among IDA-eligible low income countries. The amount of aid allocated to such a country is a decreasing function of its per capita income and an increasing function of an assessment of the quality of its development policies and performance of public institutions and its population size. A score is assigned to each recipient country by this system on the basis of these variables, and these scores are used to allocate amounts of IDA aid to them. This system could be adapted to stay or go decisions by replacing these variables with known drivers of the success of Swedish development assistance that are common to all recipients of this assistance, and having it produce a score that rather than allocates aid, determines whether Sweden stays or goes.

Part of any systematic approach to phasing out is an appropriate management plan. Once a decision to phase out development co-operation with any one country is made, the actions in planning and

managing phase out are vital. A joint donor study[5] in 2008 found that the critical factors for good exit management included actions to:

1. take communication seriously;
2. involve stakeholders;
3. set realistic timeframes;
4. respect legal obligations and commitments; and
5. be flexible.

Importantly, exit strategies that include these actions should be prepared upon commencement of development co-operation with a partner country and then reviewed on a periodic basis.

4.4 COMMENCING DEVELOPMENT CO-OPERATION

Donors do not only consider whether to stay in a partner country or phase out of it. They also make decisions to commence or re-commence development co-operation with potential partner countries. The question outlined above can be adapted to this decision in a reasonably straightforward manner.

The adapted questions are as follows:

1. What will be the principal, over-riding developmental objectives of the development co-operation programme with the country?
2. What is the likelihood of these objectives being achieved?
3. Is there any potential for them to be achieved by the donor in question? and
4. If they are not achieved, what is the likelihood of other donors currently in the partner country achieving them?

A decision to commence or re-commence would require yes or no responses to the second, third and fourth questions. As in staying or going decisions, the anticipated financial cost of and time involved in developing (or re-developing) a programme would have to be considered.

[5] Managing Aid Exit and Transformation, Summary of a Joint Donor Evaluation. 2008 Jointly commissioned by Sida, Norad, Danida and Netherlands Ministry of Foreign Affairs.

If a donor is considering commencing or recommencing co-operation with more than one country, a systematic approach is needed. A ranking could be developed using either (or both) of the above mentioned approaches to entry and exit decisions, and these applied in a comparative way to those countries being considered.

4.5 CHAPTER SUMMARY

This chapter attempted to provide general developmental criteria to inform the decision-making process with regard to the phasing out of or continuing development co-operation with individual partner countries.

These criteria are in the form of questions that can be asked about any donor development co-operation programme with a partner country. These questions principally turn on the developmental objectives that the donor has for the partner country in question.

In short, the questions hold that if these objectives are not yet but have the potential to be met, a prima facie case for staying in the country is provided. Whether the donor does stay, based purely on developmental criteria, depends on the relative extent of the case, judged across all partner country programmes.

The chapter then considered a systematic means by which "stay or go" decisions could be made, based on developmental criteria. This consideration was brief, and if a formal system for staying or going is to be used, considerable work would be required to develop it. To this extent the chapter's discussion of such a system should be seen as no more than some basic preliminary thoughts.

The chapter ended with considering questions aimed at informing decisions to commence or re-commence development co-operation with potential partner countries. These questions also turn principally on the objectives that a donor has for the partner countries in question.

5. Synthesis Report Conclusion

5.1 INTRODUCTION

The previous chapter attempted to provide general developmental criteria to inform the decision-making process with regard to the phasing out of or continuing development co-operation with individual partner countries. In this chapter we summarise the main conclusions of the report, as well as highlighting key issues that require further investigation.

5.2 MAIN CONCLUSIONS

Evaluation Report Findings

This report commenced by providing a summary of the main findings of the evaluations of long-term Swedish development co-operation with Laos, Vietnam and Sri Lanka. It noted that these evaluations concluded that each of these development co-operation programmes had experienced degrees of success. Each programme at various times and to varying degrees had responded to pressing development needs in the partner countries, had been effectively and efficiently delivered (although evidence of this was relatively scarce in the early years of co-operation with Laos and Vietnam) and had nurtured an enabling environment for poverty reduction. Co-operation with Vietnam was judged to have made a major contribution to poverty reduction, largely through its support for the Doi Moi economic reforms. Co-operation with Laos was also judged to have made a contribution to poverty reduction in Laos, albeit to a lesser extent that in Vietnam. The contribution in Sri Lanka was considered at best to be at the margins. This was in large part due to a lack of success in Sri Lanka from the mid-2000s onward, in which the operating environment faced by donors was extremely difficult. It was especially difficult for Sweden owing to its focus on peace, promotion of human rights and at the same time the Sri Lankan government's efforts to end the war in the north of the country.

Long-Term Swedish Development Co-operation with Sri Lanka, Vietnam and Laos

Synthesis of Evaluation Study Findings

The overall purpose of this synthesis report is to provide some general lessons that can inform the decision-making processes within development co-operation, including with regard to the phasing in, implementation, or phasing out of development co-operation in partner countries. The report was based on the evaluations of Swedish development co-operation with Sri Lanka, Vietnam and Laos, carried out by the same consultants. Consistent with the status of co-operation with the three countries, there is an emphasis on lessons learned in phasing out of development co-operation. The report does not evaluate the decision to phase out of any of the three countries, but seeks merely to inform any future decision-making.

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

Sida

Synthesis Report Findings

Looking at these findings in a comparative context, this report argued that, consistent with the above comments, the programme with Vietnam was the most successful, followed by that with Laos and then Sri Lanka. The success in Vietnam was thought to reflect the very strong and developmentally productive relationship between the Vietnamese and Swedish governments. Sweden was viewed by Vietnam as an old and trusted friend, and this put Sweden in a position in which it was able to achieve significant development results through the development co-operation program. A similar relationship existed with Laos, but capacity constraints were thought to have limited the success of Swedish development co-operation with this country. The prime reason for the relative ineffectiveness of co-operation with Sri Lanka was the absence of such a relationship, especially from the mid-2000s onward, and a failure by Sweden to fully appreciate the drivers of conflict reduction.

This synthesis, with respect to criteria for phasing out or continuing development co-operation with a given partner country, proposed that four guiding questions be addressed. These questions were: (i) What are the principal, over-riding development objectives of the development co-operation programme with this country? (ii) To what extent have these objectives been achieved? (iii) If these objectives have not been fully achieved, is there any potential for them to be achieved by the donor in question? and (iv) If they are not achieved, what is the likelihood of the donor group that remains in the partner country achieving them?

With respect to decisions to commence or re-commence a programme of development co-operation with a potential recipient, the following guiding questions were proposed: (i) What will be the principal, over-riding developmental objectives of the development co-operation programme with the country? (ii) What is the likelihood of these objectives being achieved? (iii) Is there any potential for them to be achieved by the donor in question? and (iv) if they are not achieved, what is the likelihood of other donors currently in the partner country achieving them?

5.3 ISSUES FOR FURTHER CONSIDERATION

This report notes that decisions to phase out or continue a development co-operation programme with a partner country are not made

in isolation, but in the context of a number of programmes. The donor might phase out some and continue with others. This however calls for a systematic approach to these decisions, which are made on the relative case to stay or go, taking into account information about all programmes with partner countries. The report provides a preliminary discussion of this issue, but stops well short of outlining in any detail a system that could be used in this context. This issue obviously requires far more consideration, should there be interest in Sida and other relevant stakeholders for such an approach. The same comments apply to decisions to commence or re-commence a programme of development co-operation with a potential partner country.

Finally, the report emphasizes the importance of relationships as a driver of successful development co-operation and that, on face value this applies to all or at least the vast majority of substantive development co-operation programmes. This is also an issue requiring further investigation. However, how do we define and conceptualize a relationship? The evaluation reports provided clues as to what this might be, including a relationship in which there can be frank and honest exchange of views. However there would appear to be much more to a relationship than this, in a development context, and this needs exploration. There is also the issue of how we might assess or measure the extent to which a relationship is conducive to achieving positive development results, and what determines the quality of a relationship. Answering these questions and deriving appropriate responses for aid policy and practice could significantly enhance development co-operation effectiveness with all partner countries, providing for larger reductions in global poverty than have been achieved to date.