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Transaction costs and Development aid through Sida

A pre-study for a strategic evaluation

Sida

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A pre-study for a strategic evaluation

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Executive Summary

Can transaction cost analysis be used as an approach to a strategic evaluation that could inform Sida's choice of channels and cooperation partners? Although transaction costs understood as "costs that add nothing to the value of a transaction" is conceptually useful when assessing aid it is not obvious how an evaluation focused on transaction costs could be framed. Sida is party to a large number of transactions each year with a variety of partner organisations and in widely different settings. The search costs, and costs for negotiation and contract as well as follow up and control in connection with these transactions are real but difficult to define and quantify. The study suggests a broadened evaluation focus and defines four themes that incorporate aspects related to transaction costs. The study proposes that issues and approaches related to the efficiency and cost effectiveness of aid such as Value for Money be further explored as part of Sida's methods development.

1. Introduction

1.1 BACKGROUND

Transaction costs in Swedish international development cooperation is a concern for several reasons. The demands on scarce resources in developing countries to manage an increasing number of donors was one of the driving forces behind the Paris Declaration on aid effectiveness in 2005. The expectation was that the transaction costs for recipient countries would be reduced through donors coordinating better, aligning to partner country systems and harmonising among themselves. The evaluation of the Declaration included a study of perceptions of transaction costs on both recipient and donor sides and concluded that they had not decreased (Wood 2011).

In the Appropriation Bill for 2014 the Swedish Government expressed an interest in having the transaction costs of Swedish international development cooperation analysed while noting the absence of a generally accepted definition of the term. Such an analysis is expected to result in better decisions on the direction and design of Swedish development cooperation. The Bill emphasizes that the objective of Swedish aid is to make a difference in the lives of poor and oppressed people and that the allocated resources are used for the intended purpose and with reasonable transaction costs. However, it is recognized that high transaction costs in particular difficult situations have to be assessed against the value of being there (from ToR).

Sida's Director General has decided on a strategic evaluation on transaction costs and this exploratory study commissioned by Sida's Monitoring and Evaluation Unit is a first step in this process.

1.2 OBJECTIVE AND PROCESS

According to the Terms of Reference (Appendix 5) the objective of this study is to give guidance on the value of using the concept of transaction costs as focus for a strategic evaluation or suggest other, better, approaches to be applied when choosing aid channels and instruments.

The study has been carried out in three stages as outlined in the ToR. The first stage consisted of an overview of transaction costs and related concepts with a view of proposing a workable definition of transaction costs. It included a survey of previous work on transaction costs in international aid. The next stage consisted of testing, or rather reviewing a selection of contributions in order to assess the feasibility of a transaction cost analysis. In the final stage issues and potential evaluation topics related to transaction costs were defined.

A reference group of 6 persons from Sida HQ has met three times and provided comments on draft texts and guidance for the study under the leadership of Katarina Perrolf, Sida's Monitoring and Evaluation unit. Staff at Sida, the Ministry of Foreign Affairs and OECD/DAC have been consulted.

The following chapter presents general definitions of transaction costs, chapter 3 contains a literature review of how transaction cost analysis has been applied to aid as well as suggestions on how it could be applied to Swedish development aid through Sida. In chapter 4 the concepts of transaction costs are applied to a sample of Sida contributions and in chapter 5 the evaluability of transaction costs and tentative evaluation themes are discussed. Chapter 6 presents brief conclusions from the study.

2. How are transaction costs defined?

2.1 GENERAL OVERVIEW

A generic definition of what constitutes a transaction is available on the website of the Coase Institute: "A transaction occurs when a good or service is transferred across a technologically separable interface." From microeconomic theory we learn that transaction costs are the costs that are incurred in connection with the exchange of goods and services, for example information costs and that is separated from the intrinsic value of the transacted good or service. Transaction costs are usually divided into three categories:

- Search and information costs
- Negotiation and contract costs
- Compliance and control costs

The works consulted for this study place the roots of transaction cost analysis in work done by Ronald Coase starting in the 1930's. Coase's analysis was later elaborated by Oliver E. Williamson and Douglas North in the 1980's and 1990's within the broad framework of New Institutional Economics. During the past 20–30 years studies on and theories related to transaction cost within this field of study have proliferated. Allen (1999) and Brousseau & Glachant (2008) contain overviews of this branch of economic science and its applications

Some of the articles used for this study present a brief outline of the theories underpinning the concept of transaction costs in the economy and summaries of the literature at hand. Concepts from transaction cost economic theory have been used to formulate approaches to the evaluation of transaction costs in international development aid (Lawson 2009, Anderson 2010, Jobin 2008, Paul & Vandeninden 2012). These approaches will be presented in section 3.3 below.

2.2 TRANSACTION COSTS AS POLICY IMPLEMENTATION COSTS

A study published by the OECD in 2007 and focused on agricultural policies consider costs associated with implementing policy as transaction costs and they are referred to as policy-related transaction costs (PRTCs). The study identifies two issues: "the need to identify and track PRTCs with a view to controlling costs and making better use of public funds. The second is an economic issue, which relates to the role of PRTCs in determining the most efficient option for achieving a given policy objective."

According to the OECD study "A full comparison of costs and benefits of different policy options needs to relate the economic value of what the policy achieves to its resource costs, including PRTCs and side-effects, as well as the transfers it may generate, both intended and unintended."

Three categories of transaction costs are identified (after Furuboth and Richter, 1998):

1. Institutional (or political) transaction costs, which are the costs of setting-up, maintaining and changing the institutional framework of a policy, and the costs of implementing policies.
2. Managerial transaction costs, which are the costs of setting-up, maintaining, changing or running organisations.

3. Market transaction costs, which are search and information costs, bargaining and decision costs, policing and enforcement costs incurred in market transactions.

OECD uses the term "transaction costs" for "administrative or implementation cost" meaning policy-related transaction costs: "PRTCs are all costs arising from interactions between and within government agencies, private organisations and programme participants at all stages of policy implementation, starting with the initial gathering of information and the policy design, the selection of eligible farmers, the distribution of transfers, the monitoring and control stages, and ending with the final evaluation of the policy outcomes relative to objectives." (OECD 2007)

The OECD study is illustrative of how flexibly the concept of transaction costs is being used. The view of transaction costs as policy implementation costs is useful also for evaluating development aid processes that entail translating policy objectives through allocation decisions and partner relationships to final results for the intended beneficiaries.

2.3 RELATED CONCEPTS

The terms of reference for this study list the following concepts as relevant to a discussion of transaction costs: administrative costs, indirect costs, forwarding costs, cost effectiveness, Value for Money. With the exception of Value for Money all are used in Sida's contribution management system (Trac). Administrative costs and forwarding costs denote cost categories that are defined by their purpose. Indirect costs is not a particular category or type of costs but is a term for how costs are distributed for budgeting and internal accounting purposes. Transaction costs are not administrative costs or indirect costs but the term is used to categorize costs related to certain activities.

Cost effectiveness is a measurement term to gauge a generated value in relation to the resources used. There are many different approaches to assessing cost effectiveness. Value for Money by contrast is increasingly being used in international development cooperation as a conceptual framework to assess the overall value of a particular course of action, project or programme. The models in use are complex and result in an overall value that incorporates the assessment of the economy, efficiency, effectiveness, and equity of a particular proposal. Appendix 1 includes a more thorough presentation and discussion of terminology.

3. Transaction costs and aid

3.1 EVALUATION STANDARDS AND GUIDELINES

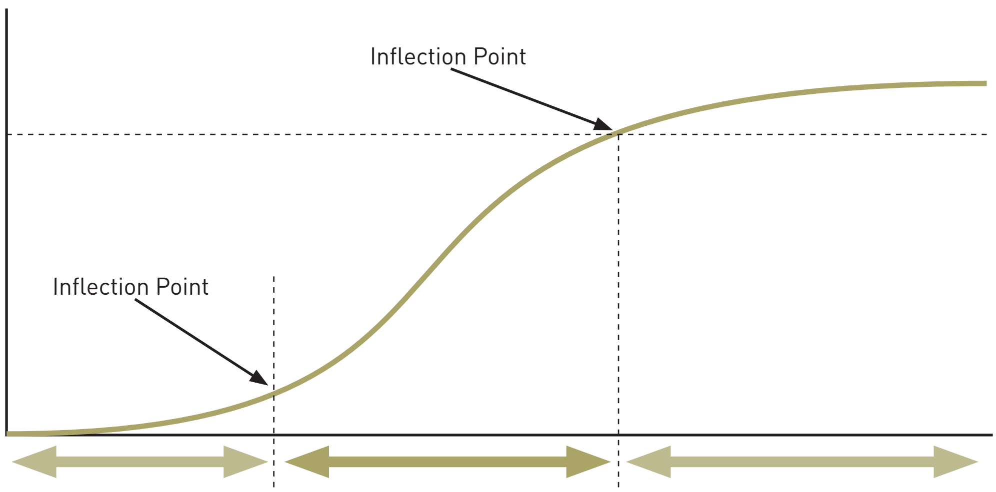
The evaluation standards from OECD/DAC do not mention transaction costs. However the joint Good Practice Standards for Country Program and Strategy Evaluations adopted by the Evaluation Cooperation Group (ECG) of multilateral development banks (MDBs) suggest that "Various proxies for transaction costs to the government may be assembled and analysed, including the number of missions per year; the proportion of time that senior government officials devoted to servicing an MDB's missions; and the average amount of time that executing agencies have allocated to the design, implementation, monitoring, and evaluation of MDB-supported assistance activities." In addition efficiency is to be assessed using indicators that affect cost effectiveness such as transaction costs, portfolio performance, monitoring and evaluation arrangements, and other project/program implementation processes.

The Glossary on UN Development Portal defines transaction costs as: "All the costs involved in the negotiation, management and administration of development aid, on both donor and recipient sides. Reducing transaction costs is one of the objectives of the aid effectiveness agenda."

The fact that transaction costs are mentioned and loosely defined in two international evaluation normative documents is an indication that transaction costs are seen as important, although we are not given much guidance on how to approach an evaluation of transaction costs.

3.2 TRANSACTION COSTS AND AID EFFECTIVENESS – THE PARIS DECLARATION

Concerns about the results and transaction costs of international aid for receiving countries were at the heart of the preceding conferences and the high-level meeting in Paris in 2005 that resulted in the Paris Declaration on Aid Effectiveness. The principles of country



ownership, harmonisation and alignment were meant to address and reduce transaction costs for partner country governments. Transaction costs were however, not explicitly defined.
In preparation of the evaluation of the Paris Declaration Lawson (2009) developed a paper on how transaction costs could be incorporated into the evaluation. The paper reviews the main elements of transaction cost theory and as applied to development aid and concludes that "aid transaction costs might be defined as the costs necessary for an aid transaction to take place but which add nothing to the actual value of that transaction". Net transaction costs arise when the gross cost exceed the value generated by the transaction. Some of the gross costs are considered as investment and necessary. The following figure illustrates this point.

Lawson defines transaction costs in aid processes between bilateral donors as follows:

Search Costs	The costs necessary for recipient governments/potential donors to identify appropriate development partners. The costs (for donors) to identifying appropriate projects or programmes to fund and (for governments) of 'selling' project concepts to appropriate funders.
Bargaining & Decision Costs	The costs of negotiating and agreeing financing agreements for projects and other operations.
	The costs of defining and agreeing policy or outcome conditions for Development Policy Lending or Budget Support.
Policing & Enforcement Costs	The costs to recipient governments of fulfilling requirements for project execution and monitoring using systems other than country systems. The costs to recipient governments of monitoring donor commitments to predictable disbursements and other aspects of mutual accountability. The costs to donor agencies of supervising adherence to project and programme conditions and of undertaking corrective actions where necessary.

Lawson points out that transaction costs cannot easily be quantified in monetary terms and should rather be viewed metaphorically and proposed that in the evaluation of the Paris Declaration the respondents would be asked to assess perceived trends and the incidence of transaction costs, the relative influence and source of the Paris Declaration and future trends and the potential for change. An obvious limitation of the proposed scheme is that it only includes the two main parties to the declaration, donors and recipient country governments.

3.3 APPROACHES IN RESEARCH AND EVALUATIONS

Researchers and other evaluators have proposed various approaches based on Transaction Cost Economics theories to define and assess transaction costs in international development aid.

Jobin (2008) has elaborated a model for evaluating partnership performance in the development aid sector based on transaction cost economic theory. The rationale for focusing on partnerships is the increased use of partnerships as a public-sector delivery mechanism and the reliance on partnerships in development aid. He suggests the following variables for his model: partnership performance, asset specificity, frequency, measurability, uncertainty, coordination intensity, social capital as trust and reputation respectively. The model is, however, not being tested.

According to Paul & Vandeninden (2012) "… there is a lot of confusion and no agreement over a common definition of aid transaction costs. Moreover, measuring aid transaction costs appears to be an unachievable challenge…" They present an analytical framework based on the concepts of asset specificity and governance arrangements. Aid modalities are viewed as governance structures that range from partnership budget support through programme-based approaches to projects. They emphasise that transaction costs must be separated from production costs and the need to distinguish between sunk costs and those transaction costs that constitute an investment. The model was intended to identify preferred aid modality according to the aid transaction's characteristics and whether a change in aid modality, such as from a project to a programme approach, would reduce transaction costs.

Anderson (2008) equals transaction costs to total administrative costs as reported to the OECD in his econometric study of aid fragmentation and transaction costs. His regression model calculates "adjusted aid miles" to estimate the potential savings from a different allocation model of aid. The study notes in passing that the share of transaction costs as reported to OECD has increased from 3 % in 1990 to 5 % in 2009.

Ronald (2011) has carried out a study on the costs and benefits of coordination of the operational activities of the United Nations system. A key conclusion is that it is very difficult to define coordination costs and that transaction costs cannot realistically be calculated in monetary terms. Studies have to be based on the perceptions of stakeholders.

A joint evaluation on transaction cost of pooled funding of humanitarian aid (Salomons 2009) define as "transaction costs the cumulative costs of adapting to, and integrating, the specific characteristics of the humanitarian pooled funds, both in terms of time, energy and money spent, and in terms of opportunities missed." The definition is clearly adapted to the study at hand and is noteworthy for focusing on transaction costs from the perspective of partner organisations.

3.4 TENTATIVE DEFINITIONS OF TRANSACTION COSTS FOR AN EVALUATION

As noted also in an internal document by the Ministry of Foreign Affairs (2013-05-19) the definitions of transaction costs vary depending on the research and operational context. Drawing on the documents consulted we found three main broad approaches to defining transaction costs that could be used by Sida. Which definition to use depends on the purpose of the analysis and the perceived value added.

- *Excessive administration costs and leakage*

Within Sida and the Ministry of Foreign Affairs transaction costs are commonly associated with excessive administration costs of partner organisations and the leakage of aid money when funds are channelled through several organisations. The underlying concern is to prevent aid money from being diverted from the ultimate beneficiaries of Swedish aid through a costly system of intermediation. This perspective would make visible "hidden" transaction costs. However, this perspective has to be balanced by an appreciation of the value added of cooperating with a particular partner.

- *Costs that exceed the value gained from the search for and selection of partners and the associated costs for negotiation and contracting, supervision and control for all parties in an aid relationship including beneficiaries.*

This definition is comprehensive in the sense that it includes all actors and stakeholders linked to a particular intervention. It is also closer to the definitions that are based in theories of Transaction Costs Economics. Although conceptually appealing by its very inclusiveness it is not obvious how it might be applied to an operational context. Possibly it could be used at a more aggregate level in relation to a particular aid modality.

- *Costs associated with the implementation of aid policy.*

In line with the analysis of transaction costs in implementing agricultural policies as presented in OECD (2007) transaction costs could be viewed as the costs associated with implementing Sweden's aid policy through Sida. Such an analysis would include all or a selection of aid delivery mechanisms and the stakeholders involved. It could indicate fragmentation tendencies and rationalisation potential through economies of scale.

It is feasible to assess the gross costs for one party such as an aid agency, by using total administration costs and costs for strategy implementation. The tricky part is how to balance the cost with the value generated in the process. How do we recognize when transaction costs constitute an investment and when they exceed the value generated by the transaction/s?

3.5 SUMMARY OBSERVATIONS

Transaction costs are not used as an operational category in development aid. It is not included in glossaries or normative frameworks for monitoring and evaluation (OECD/DAC, UNEG) with the exception of the guidelines of the ECG for country programme evaluations and the UN glossary. Various approaches have been suggested for formal transaction cost analyses of aid but there is no established formalized approach.

The concept of transaction costs in development aid is used rather loosely and generally considered not to be easily quantifiable or monetized and best assessed through perception studies. It is possible to develop a framework and an understanding of transaction costs adapted to particular situation with the obvious limits to generalisation. Above we have suggested three approaches to define and understand transaction costs in relation to development cooperation through Sida. In the following chapter we will discuss the relevance and feasibility of applying them to actual contributions.

4. Applying a transaction cost perspective

The second part of this study consisted of reviewing a selection of contributions in order to test the feasibility of conducting a transaction cost analysis in line with the three suggested definitions in chapter 3.4 and as repeated below. Contributions for two types of cooperation partners were examined: Swedish civil society organisations (CSO's) and multilateral organisations. This light review was based on project/program documents and Sida's assessment memos.

How could then the proposed three definitions be used with the contributions selected?

1. Transaction costs viewed as excessive administrative costs and leakage would direct the focus to the budgets and actual use of resources by the partner organisations, including handling fees and charges. It would also view the use of intermediary organisations and arrangements for channeling funds.
2. In a comprehensive approach to transaction cost analysis you would assess the net costs:
   - for donors in relation to the search for partners, for coordinating with other donors and for handling of applications,
   - for partner organisations for managing the relationship with the donor/s and for forwarding to other organisations
   - for the beneficiaries to access the resources and services financed by the donor
3. Transaction costs viewed as policy implementation costs would focus on the relative share of Sida's administration budget for a particular contribution or strategy. This aspect has been commented when information has been readily available.

4.1 SWEDISH CIVIL SOCIETY ORGANISATIONS (CSOs)

We reviewed three out of the 18 non-governmental organisations with a framework agreement with Sida entitled to funding from the allocation for support through Swedish CSO's which corresponds to about 10 % of the funds handled by Sida.

Transaction costs as a term is not used. However costs for the handling of the support from Sida is to be covered by the special "administration" grant of 8 %. Organizations with a mandate to forward funds to other Swedish organisations are entitled to compensation for their actual costs.

The grants from Sida are frequently channelled through other organisations or organisational layers but information on the actual accumulated costs for handling this is not readily available. One of the reasons is that similar expenses may be variably classified as operational costs, administrative costs or channelling costs. An additional difficulty is that further along a forwarding chain all costs are classified as operational costs, hence it is possible to talk about visible and hidden transaction costs.

A lack of common terminology makes it difficult to assess the actual costs. Sida could profitably introduce some terminology related to the handling and forwarding of funds. Costs that are related to the handling of a contribution could be categorized as transfer or transaction costs and would, tentatively, include expenses related to:

- contacts with actual and potential partner organisations including international, local and other member organisations,
- handling of proposals, applications and reports, including negotiations with partners,
- monitoring, including travel, audits and evaluations.
- capacity building activities that contribute to strengthening the management of partner organisations when directly linked to donors' financial management and reporting requirements.

Since funds are usually forwarded from Swedish organisations to partner organisations in other countries the existence of *intermediary organisations* are usually identified. Estimating the number and layers of such intermediary organisations could be used as a proxy for gross transaction costs.

The channelling of funds through Swedish CSOs to other Swedish organisations and international counterparts is an important element of Swedish official aid and each "link" in the chain is considered to generate value and benefits to the intended beneficiaries.1 This makes it difficult to use a transaction cost analysis and complementary approaches are needed to assess the efficiency and effectiveness of support through Swedish CSOs.

If transaction costs are seen as Sida's management costs the framework agreements with Swedish CSO's is an efficient alternative. Similarly the handling of funds for humanitarian purposes requires less staff time relative to funds disbursed than for country strategies (Sida Annual Report 2013).

4.2 COOPERATION WITH MULTILATERAL ORGANISATIONS

Three contributions to multilateral organisations were reviewed, a program, mainly a financing mechanism for regional watershed management run by the World Bank, a large scale national health program run by a consortium of UN agencies and a regional natural resource conservation program run by an international CSO.

In all three examples a considerable share of the Swedish contribution will be used for fees for managing a trust fund, costs for organisational overhead and costs for program management. Nevertheless the assessment memos argue in favour of using the proposed channels partly because there are no perceived better alternatives. In one case the program is seen as conferring additional benefits to the participating organisations by virtue of being part of a large program. The level of detail varies in the proposed budgets. An additional difficulty is to determine the level of administrative costs in budgets that are output or programme based and to assess if costs are reasonable.

To carry out a comprehensive transaction cost analysis would be difficult on the basis of the documentation at hand and would require additional data and information from the main stakeholders and beneficiaries. Possibly a Value for Money approach would be more appropriate for these kinds of large scale programs and financing mechanisms.

Only one of the assessment memos discusses the requirements on Sida staff for follow-up. There is a comment to the fact that the decision to fund a large program rather than single projects as previously would free staff time for more qualified analysis work.

4.3 SUMMARY OBSERVATIONS

What conclusions can be drawn from applying the three proposed definitions of transaction costs to a set of contributions? Are they useful for evaluation purposes?

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1 An evaluation of the value added of Swedish intermediary CSO's is currently being carried out by Ola Segerstam Larsson on commission from Forum Syd.

Excessive administrative costs and leakage. An initial obstacle to using this definition is a lack of clarity on how to define administrative costs. Moreover when funds are forwarded the handling costs tend to become absorbed into operational costs. A possibility could be to use the number of intermediary organisations as a proxy for additional costs, the drawback being that the value in using a particular channel could be overlooked. The real and perceived inefficiencies of multilateral organisations should be addressed by the internal evaluation functions and/or collectively by donors through international initiatives.

To design a comprehensive transaction analysis is complicated as illustrated in the literature review. Transaction costs for partner organisations and for beneficiaries have to be estimated through proxies or demanding data collection. Moreover transaction costs are but one facet of an aid relationship.

How about transaction costs as policy implementation costs? Sida's financial management system allows for the tracking of staff costs in relation to disbursement although not in relation to individual contributions. Nevertheless it would be possible to compare the costs for implementing strategies as the share of staff and other costs although it would not provide a good measure of the value created by a particular contribution or strategy.

5. Evaluability

5.1 EVALUATION PURPOSE

The underlying question for this study is if a strategic evaluation could be designed to give guidance to Sida on how to increase the efficiency and effectiveness of its operations. The planned strategic evaluation is expected to yield insights into the efficient use of aid funds (avoiding unnecessary costs and leakage), the value created by using certain channels and cooperation partners and the extent to which funds are reaching the ultimate intended beneficiaries of Swedish development aid.

What can we learn from the studies and evaluations undertaken that build on a transaction cost analysis? They have pointed to useful concepts that increase the understanding of transaction costs notably issues of aid fragmentation and the specificity of aid provided as well as the notion that the quality of the aid relationship, being contractual or a working partnership, will affect transaction costs.

Would a transaction cost analysis then be a useful approach in informing the choices to be made? What kind of information would such an analysis produce? Although intuitively appealing the review made in this study points to several difficulties in applying a comprehensive transaction cost analysis to evaluate aid. No particular model for transaction cost analysis has been established which is linked to the difficulty in assigning values to the variables. In addition the variables to be included have been defined ad hoc.

There are guidelines and evaluations that incorporate certain aspects of a transaction analysis, notably the framework for country evaluations agreed by the ECG. In the evaluation of the Paris Declaration the assessment of the effect of the declaration on transaction costs also constituted but one aspect of the entire evaluation.

There would then be two main approaches to evaluating transaction costs: as the main focus of an evaluation or as an aspect of a wider thematic. We have chosen the latter approach for the evaluation themes suggested in the following section.

Are there other conceptual approaches that could be used? One alternative is applying a Value for Money approach. However, the difficulties are similar to those with a transaction cost analysis in that it is complex and that there is no set method. Still another approach is to focus on the efficiency aspect of Sida's work using a similar framework to that applied in the evaluations of IFAD and WFP (IFAD, 2013, Renard & Lister, 2013). These evaluations are based on a model for comprehensive corporate evaluations assessing both the institutional efficiency and the efficiency of funded operations.

5.2 EVALUATION THEMES

Issues related to the nature, content and processes of aid transactions could preferably be included as considerations in a broader evaluation focused on efficiency and effectiveness. Transaction costs would then be an aspect when evaluating the choice of aid modality and cooperation partners. In addition the transaction costs for the intended beneficiaries should be included. Four broad approaches to a strategic evaluation related to transaction costs have been defined:

1. The strategy implementation process.

With the new results based strategies Sida is given more freedom than under previous strategies to choose partners and modalities. Searching and selecting the appropriate cooperation partners and channels is a key element in implementing an aid strategy for a donor. Yet the considerations related to these processes are not well known. An evaluation of the implementation process of one or several strategies would be exploratory and formative in character and intended to uncover the dynamics behind the choices made. The evaluation would use some of the concepts from earlier attempts to develop evaluation models on the basis of transaction cost analysis. The evaluation could also incorporate elements of efficiency analysis. The analysis of the determinants and characteristics of the choice of cooperation partners could focus on one or several countries or regions or a sector/theme. The evaluation should reflect the perspectives and the motivations of Sida as a donor as well as those of its partner organisations. The benefits to beneficiaries of the choices made should be included. Hypotheses should be developed as a framework for the evaluation, for example about the significance of previous cooperation and a preference for Swedish partners.

Information on the considerations related to the choice of cooperation partners should be found in minutes from committee meetings and in assessment memos. In addition it should be possible to construct a trail of previous cooperation on the basis of documents in Sida's archive.

2. Fragmentation and the generation of value

In spite of the ambitions expressed by the Paris Declaration there is an increasing number of actors and initiatives in the field of aid and global development. This diversity and the global development trends present a challenge for donors to better understand how to get maximum value from the available resources. An exploratory evaluation could ask what is the added value to partners and to the ultimate beneficiaries of a donor to be present in a particular sector/country, of using a particular channel and partner organisation. How can the value of a set of contributions be described in addition to the traditional focus on results? What is the value added of engaging Swedish actors? What is the importance of intermediary organisations? What is the value added of Sida's work in an environment with many donors?

3. Swedish CSOs as partners in development cooperation

A large portion of the funds managed by Sida is channelled to and through Swedish CSOs and other Swedish civil society actors as there are several available funding windows. As a matter of policy Swedish CSOs are seen as valuable actors in international development cooperation although this policy could also be viewed as contributing to the fragmentation of Swedish aid and thus to higher transaction costs. Although there are many evaluations of projects and programmes there has been no attempt to carry out a comprehensive evaluation of the role of Swedish CSOs in relation to the objectives of Swedish aid.

CSO's usually work on the basis of a theory of change or logic model but there is little in depth knowledge on the processes by which they contribute to the goals of Swedish development policy. The evaluation would ask questions of how the Swedish CSOs contribute to development and how the end beneficiaries are reached. It would build on the experiences of a previous evaluation in Western Balkan and an ongoing evaluation using a "reality check" approach in three countries (SIPU 2014).

4. Earmarking and the creation of value

Resources from Swedish international development aid shall contribute to improving the lives of poor and oppressed people. To this end donor governments design policies and guidance for how funds are to be allocated and channelled. The degree of earmarking varies as well as the allocation mechanisms. In the past 10 years Sida has been commissioned to implement a number of special initiatives, often coupled with a special allocation to be disbursed during a limited time period. The introduction of such new funding mechanisms entails transaction costs for the implementing agency and for partner organisations that have to accommodate to the requirements of a new initiative. Using a transaction cost perspective a selection of the special initiatives handled by Sida during the past 10 years would be analysed. A core evaluation question would be how to reconcile the earmarking of special donor funds with the demands of aid effectiveness, including reduced transaction costs, sustainability and the creation of value for the ultimate beneficiaries.

6. Conclusions

The terms of reference for this study cover two partly different tasks. One is related to an operational concern with avoiding unnecessary costs for the handling and transferring of aid funds and to finding analytical approaches to assess the efficiency and effectiveness of contributions handled by Sida. The other is about assessing if and how a transaction cost analysis could be used as a framework for a formative evaluation to inform Sida's choice of aid modalities, channels and partners.

There are some inconsistencies in Sida's use of terminology related to administration costs, indirect costs and forwarding/channelling costs. In addition the Swedish word for cost effectiveness is used to denote both cost efficiency and cost effectiveness sometimes confusing the two. Sida has put considerable effort and resources into finding a way to integrate considerations of cost effectiveness (and cost efficiency) analysis into its contribution management system. Further work is necessary, however, to clarify the requirements and the approaches to be used when assessing individual contributions. More attention could be given to the role and value of intermediary organisations, that is the partner organisations that channel aid funds to a third party.

In carrying out its mandate Sida engages in transactions of different types and with various partner organisations. Transaction costs are real and recognized, on both the donor and the partner side, but difficult to quantify unless new categories are introduced in budgeting and reporting systems. In a simplified analysis all costs related to the management of Swedish aid through Sida could be viewed as transaction costs.

The purpose of the study is to provide inputs to a decision on the initiation of a strategic evaluation related to transaction costs in development cooperation through Sida. Could a transaction cost analysis be used as a basis for an evaluation?

Transaction costs are not used as an operational category in development aid. It is not included in glossaries or normative frameworks for monitoring and evaluation (OECD/DAC, UNEG) with the exception of the ECG guidelines for country programme evaluations and the UN glossary. Various approaches have been suggested for formal transaction cost analyses but there is no established formalized approach for a comprehensive evaluation of the transaction costs of aid.

The concept of transaction costs in development aid is used in a flexible manner adapted to the situation at hand and not easily quantifiable or monetized. It is possible to develop a framework and an understanding of transaction costs adapted to particular situation but with the concurrent limitation on generalisation. Methodologically transaction costs have mostly been assessed through perception studies.

Three perspectives on transaction costs in relation to development cooperation through Sida have been suggested in this study. Although the level and forms of transaction costs for all parties in an aid relationship are important considerations in development cooperation we did not find that it would be useful to pursue an evaluation with a singular focus on transaction costs. Issues related to the nature, content and processes of transactions in aid relationships would more usefully be included as considerations in a broader evaluation focused on efficiency and effectiveness including the value chain of development aid. Transaction costs would constitute an aspect when evaluating the choice of aid modality and cooperation partners that would include transaction costs for the intended beneficiaries.

The terms of reference suggest that other approaches might be used as a framework for an evaluation, such as a Value for Money approach or cost effectiveness analysis. These approaches would likely be more usefully explored within the framework of a methods development project than as the basis for a strategic evaluation.

Appendix 1. Definitions and terminology

The terms of reference for this study includes defining concepts and terms used when discussing the efficiency and effectiveness of Swedish aid through Sida. This appendix provides generic definitions along with comments and observations. The observations are based on texts in Sida's contribution management system (Trac), internal studies, reviews on costs commissioned by Sida and notes from a review of documents made during the course of this study. Some of the observations are carried forward as conclusions and recommend-dations in the main report. Table 1 presents an overview of terms and concepts.

The terms are divided into two categories, one related to terms used when categorizing and analysing costs, the second category defines analytical approaches to assessing the costs and benefits of a particular intervention or programme.

1. Terms related to costs

1.1 Administrative costs/Administrationskostnader

Administrative costs are commonly understood as expenses for basic functions of an organisation and not specifically incurred in the production of a particular service or product. Administrative costs are actual expenses for management, accounting, controlling, auditing, IT and communications, human resource management and office space and similar functions. Administrative costs is a functional way to classify costs which means that it will include different types of costs and will vary with the organisation.

Observations and comments: In Trac administrative costs are defined as follows: "…in the context of development cooperation, administration costs are indirect costs that are not directly linked to the project activities but they are still needed to run the project. Typical such costs are staff costs for accountants, controllers, management, costs for legal services, including procurement, IT-services, rents and office consumables."

The text on *core support* in Trac does not offer any particular definition on administrative costs as Sida will make its assessment on the basis of the categories used by its partner.

Swedish organisations with a framework agreement are entitled to an additional grant of 8 % over programme costs to cover their own administrative costs, notably "costs that are incurred in handling the grant from Sida i.e. application costs, reporting and monitoring costs and costs for the yearly audit of the total grant from Sida. Organisations that channel funds shall state the share of the administration grant that is passed on to its member organisations in Sweden or to corresponding partner organisations." How the administration grant is then used by the recipient organisations show similarities but is not uniform. Administrative costs are often absorbed and eventually treated as operational costs as grants are channelled to organisations outside Sweden (Ernst&Young 2014).

Administrative costs are defined in different ways in Sida's guiding documents and Sida will align to the definition used by its partner although thisbut entails more work for Sida's staff.

1.2 Operative costs/Verksamhetskostnader

These are expenses that are directly linked to and necessary for carrying out an activity or producing an output. Example: salary costs for staff and experts, travel, rent and consumables, material, audit. Costs for depreciation of equipment may be included.

Observations and comments: The line between operative and administrative costs is not clearcut and there is some scope for adapting the categorisation for funding and accounting purposes.

1.3 Indirect costs/Indirekta kostnader

"Indirect costs" is a categorisation of costs for budgetary and accounting purposes and based on actual and verifiable costs that are necessary for an organisation to be operational and to perform its activities and producing planned outputs. Indirect costs are allocated to a particular cost unit or cost centre often on the basis of its share of staffing costs.

Observations and comments: In Trac administrative costs as defined above are defined as indirect costs. It is mentioned that these costs are charged to projects or other cost units or cost centres on a percentage basis in proportion to staffing costs.

The way Sida uses the concept of indirect costs is somewhat misleading as it gives the impression that indirect costs are defined as a particular type of costs. In fact the term indirect costs refers to the way that costs are allocated when it is not possible to allocate the factual costs to a particular cost centre. There is also a tendency to equate administrative costs with indirect costs.

1.4 Direct costs/Direkta kostnader

This is a budget and accounting term that refers to the allocation of expenses. The term does not denote any particular type or category of costs but refers to how the cost is allocated, that is its link to a particular cost centre (could be a unit, activity, product, programme or output).

1.5 Overhead/Overhead

This is a term used for costs that are necessary for the operation of an organisation but that cannot easily be allocated to a particular unit, activity or output. Costs that are often counted as overhead costs are management, IT and communications, HR function, office or other premises, equipment, financial management, audit. Overhead costs are frequently allocated to the units, activities or projects in relation to salary costs. For both categories the total thus allocated must correspond to actual expenses. Overhead costs are treated as indirect costs.

Observations and comments: Overhead costs as a concept is not defined in Trac but Trac cautions against accepting a budget proposal that contains both indirect costs and overhead costs. Overhead costs and administrative costs refer to similar types of expense and are often allocated as indirect costs.

1.6 Channelling costs/Vidareförmedlingskostnader

This is a categorization of costs related to the task of channelling funds from Sida to a third party. There is no established operational definition or formula for calculating these costs.

Observations and comments: Sida uses the concept "forwarding" when the entire or parts of a grant from Sida is transferred from Sida's partner organisation to a third party. The requirements linked to this process are specified in § 2.8.3 in Sida's contribution management rule and are regulated in the agreement between Sida and Sida's partner organisation. A key principle is that of an unbroken agreement chain implying that reporting and auditing requirements apply to all organisations in a forwarding chain.

Sida uses the concept channelling costs in connection with funds that are forwarded to or channelled through Swedish CSOs. Some Swedish SCOs have a framework agreement with Sida that authorizes the organisation to handle and approve applications for grants and that entitles them to compensation for their actual costs for performing this task.

1.7 Intermediary organisation/vidareförmedlande organisation
The concept is used for an organisation that channels aid funds to other organisations. Some Swedish CSO's (such as Forum Syd and SMR (Svenska Missionsrådet)) are formally entrusted with channelling funds to other Swedish CSO's. ICLD (International Center for Local Democracy) channel funds to Swedish municipalities that in their turn cooperate with counterparts in other countries. The Swedish recipient organisations will in turn route funds to their cooperation partners in other countries. In these cases Sida is formally responsible for the allocation decision. Multilateral organisations may also channel funds to other organisations. In these cases the relationship is regulated through general agreements that also set the level of fees.

Observations and comments: The routing of aid funds through an intermediary is common in development cooperation although not always explicitly recognized as such. A large share of Swedish development aid is channelled through trust funds of multilateral organisations or through private foundations and organisations created as part of global initiatives. Channelling also occurs when funds are transmitted through the layers of an international organisation with regional and local offices.

2. Analytical categories

2.1 Transaction costs/transaktionskostnader
Transaction costs is a concept was first introduced in economic science in the 1930's and that has received increasing interest from the 1990's and on by economists working in the tradition of new institutional economics and in microeconomics. The traditional understanding is that transaction costs are those that are necessary for a transaction to take place but do not add to the value of the goods or services exchanged. Lawson (2009) defines transaction costs in relation to aid as costs that "add nothing to the actual value of that transaction". Transaction costs are linked to the three stages of a transaction: 1. Search and information. 2. Negotiation and contract. 3. Compliance and control.

Sida does not use the concept of transaction costs in its contribution management system and has no operational definition. For the purpose of this study three alternative approaches to transaction costs in Sida's work have been defined:

* *Excessive administrative costs in organisations and leakage* caused by the channelling of funds through one or several intermediary organisations. The term transaction cost is often used in this sense by the Swedish Ministry of Foreign Affairs and Sida.

* *Costs that exceed the value gained from the search for and selection of partners and the associated costs for negotiation and contracting, supervision and control for all parties in an aid relationship including beneficiaries*. This is a condensed version of how transaction costs have been defined for the purpose of evaluating international aid.

* *Costs associated with the implementation of Swedish aid policy.* Such an analysis would include an overall view of the delivery mechanisms and stakeholders involved. It could indicate fragmentation tendencies and the potential for rationalisation through economies of scale. In operational terms it would be possible to assess the gross costs for one party such as an aid agency in relation to different delivery mechanisms and cooperation partners. This approach derives from the analysis of other policy areas.

Observations and comments: Transaction costs as a concept is not used in Trac or in other guiding documents. It is also not used as a cost category by Sida's framework organisations.

The literature reviewed for this assignment point out that transaction costs arise in connection with a transaction between two legally separate organisations. A transaction cost analysis entails assessing the net costs, and benefits, for all parties to a transaction. It is also observed that it is difficult to find an unambiguous way to quantify gross and net transaction costs. In fact transaction costs could include different cost categories depending on how an analysis of transaction costs is structured. The task would be easier if transaction costs are defined in a limited sense as the staff time and contingent costs needed to enter into and follow up on a particular aid relationship. A simple transaction cost analysis could also be made to include the intermediation of aid funds. For recipients of development aid transaction costs is a reality and increase with the number and diversity of donor institutions. Similarly the transaction costs of a donor can be expected to increase with the number and diversity of contributions and partners.

2.2 Value for Money

Value for Money is a concept – and an approach – that is becoming increasingly popular among some donors, notably the UK, the US and Australia. There are different understandings and operational elaborations of the concept. "The New Zealand aid program defines it as "achieving the best possible development outcomes over the life of an activity relative to the total cost of managing and resourcing that activity and ensuring that resources are used effectively, economically, and without waste" (Jayasuriya, 2013). Dfid defines Value for Money in its programmes as "maximising the impact of each pound spent to improve poor people's lives" (Dfid 2011). The concept has given rise to some confusion that is being untangled in a paper by Jackson (2012). She defines Value for money as "The optimum combination of whole-life cost and quality (or fitness for purpose) to meet the user's requirement. It can be assessed using the criteria of economy, efficiency and effectiveness."

Dfid has adopted a comprehensive model for analysing Value for Money that forms part of its results framework. The VfM framework comprises a VfM cycle and six VfM enablers. 2 The model for assessing Value for Money of individual interventions, or business cases is focused on the three 'Es': economy, efficiency and effectiveness as well as cost-effectiveness analysis. In addition equity is included as an underlying consideration. A thorough review of a VfM analysis is given in ITAD 2010. A proposed scorecard for assessing support to Governance and Conflict Programmes includes values on the different variables and summed up to a total for the business case at hand. A model for analysing and assessing Value for Money using an elaborate scorecard has been elaborated for social transfer programmes (White, Hodges and Greenslade, April 2013).

Observations and comments: Sida does not use an integrated Value for Money approach although elements of a VfM analysis as described above are included in Trac. It would be feasible to introduce elements of a transaction cost analysis into a VfM framework as all scores need not be expressed in monetary terms. Transaction costs for partners, beneficiaries or users (negative and positive) could be factored in.

The constituent parts of a typical Value for Money analysis are presented below. A schematic view is provided in Figure 1.

2.3 Economy

According to the DAC Glossary economy means "Absence of waste for a given output. With the addition that "an activity is economical when the costs of the scarce resources used approximate the minimum needed to achieve planned objectives."

2 DFID's Approach to Value for Money (VfM). Department for International Development. July 2011.

ICAI (Independent Commission for Aid Impact, UK) use the following short definition "economy: getting the best value inputs". Dfid will ask "Are we or our agents buying inputs of the appropriate quality at the right price?" Jackson defines Economy: as "Reducing the cost of resources used for an activity, with a regard for maintaining quality".

Observations and comments: The Swedish translation is "Ekonomi. Frånvaro av slöseri för ett givet utfall." does not fully reflect the DAC English definition. In results based management the English word "output" is often translated to the Swedish word "prestation". The word "utfall" has a wider connotation.

The Economy aspect is well covered in Sidas assessment framework, but still presents a challenge for a programme officer or a controller.As part of a value for money analysis you would typically look at the budget of an organisation or of a particular project or programme and the allocation and pricing of resources to be used. This would include looking at the share and level of salaries, rental and transportation costs etc. Conducting this analysis is part of the assessment routine in Trac. You would also assess the size and composition of administration costs that are charged to the particular intervention.

2.4 Efficiency

According to the DAC glossary efficiency is "a measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results."

ICAI understands efficiency as "maximising the outputs for a given level of inputs". Dfid will ask "How well do we or our agents convert inputs into outputs". Jackson defines efficiency as "Increasing output for a given input, or minimizing input for a given output, with a regard for maintaining quality."

Observations and comments: The Swedish translation is "Kostnadseffektivitet. Ett mått på hur ekonomiskt resurser/inputs (kapital, sakkunskap, tid, etc.) omvandlas till resultat." It would be more accurate to talk about "inre effektivitet" or just "effektivitet". A complicating factor is that the Swedish language uses the term "kostnadseffektivitet" to denote both cost-efficiency and cost-effectiveness.

2.5 Effectiveness

The DAC Glossary defines effectiveness as follows: "The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance. Note: Also used as an aggregate measure of (or judgment about) the merit or worth of an activity, i.e. the extent to which an intervention has attained, or is expected to attain, its major relevant objectives efficiently in a sustainable fashion and with a positive institutional development impact. *Additional note in the Swedish version: The term can be used with reference to all levels of objectives, the output level, as well as the levels of outcomes and impacts. Related term: efficacy."

ICAI defines effectiveness as "ensuring that the outputs deliver the desired outcome" whereas Dfid will want to know "How well are the outputs from an intervention achieving the desired outcome on poverty reduction?" Jackson defines effectiveness as "Successfully achieving the intended outcomes from an activity".

Observations and comments: Swedish translation: "Effektivitet (måluppfyllelse). Den omfattning i vilken utvecklingsinsatsens mål har uppnåtts, eller förväntas uppnås, med beaktande av deras relativa betydelse. Anmärkning: Termen används även som ett aggregerat mått på (eller omdöme om) en aktivitets (sammantagna)förtjänst eller värde, d.v.s. i vilken utsträckning en insats uppfyllt, eller förväntas uppfylla, sina viktigaste relevanta målsättningar på ett kostnadseffektivt och bärkraftigt sätt och med en positiv effekt på institutionell utveckling. *Anmärkning i den svenska versionen: Termen kan användas på alla målnivåer, från outputnivån till nivån av övergripande utvecklingsmål. Relaterad term: verkningsgrad."

It is worth noting that the term effectiveness is related to the English word "efficacy" and the Swedish word "verkningsgrad". Effectiveness is not primarily related to costs although often an important consideration but about the appropriateness of a selected approach, means, process and institutional arrangement in relation to a desired result or outcome. Assessing the effectiveness of a course of action is in reality often complicated as it involves establishing a causal link that goes beyond the merely plausible between the activities or outputs and a desired outcome. To assess the extent of causality or attribution is even more difficult.

2.6 Cost effectiveness/kostnadseffektivitet

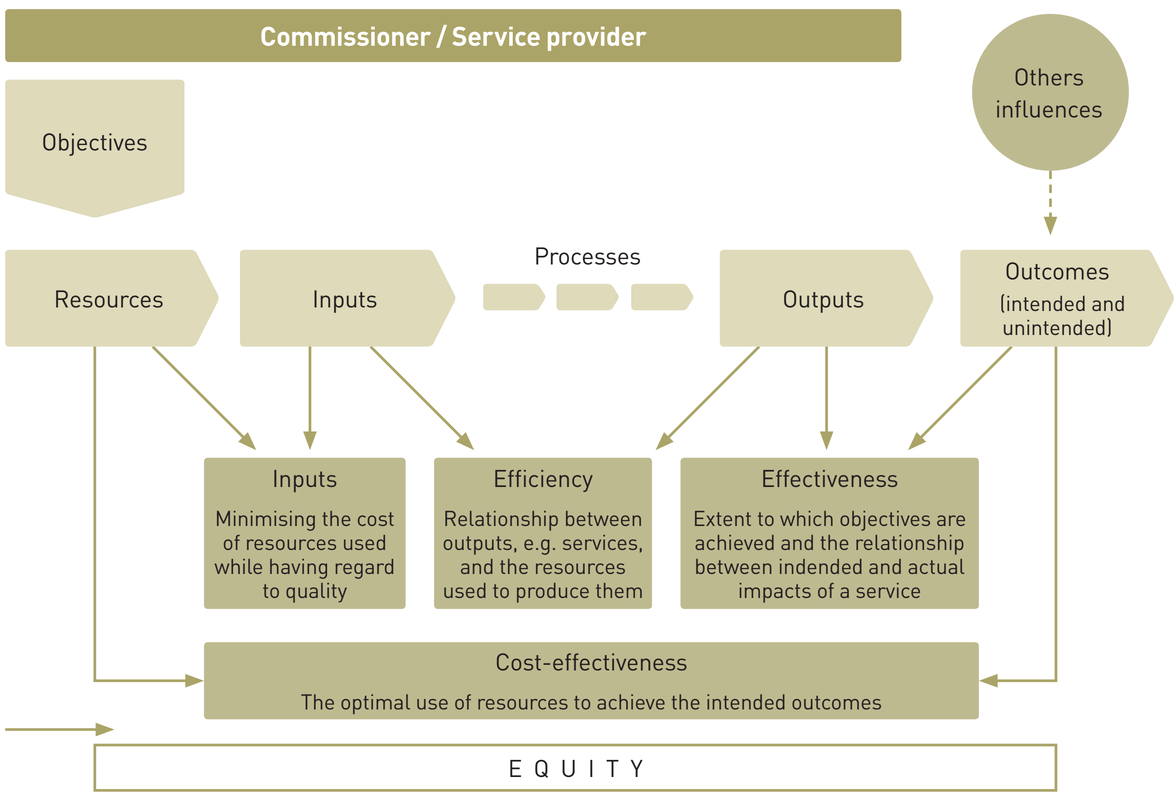
A standard definition of cost effectiveness is "the worth of an intervention in physical terms divided by the cost of the intervention" (Vedung 1998). Although Trac provides some guidance to assessing cost effectiveness it has been seen as not sufficient and satisfactory. A working group has produced a paper where cost effectiveness is defined as: "the relationship between economic resources/input (capital, knowledge, time, etc) and results in a particular case where the result is defined as an outcome" (Sida Maj, 2013).

ICAI does not provide a particular definition of cost-effectiveness, whereas Dfid will ask "How much impact on poverty reduction does an intervention achieve relative to the inputs that we or our agents invest in it?"

Observations and comments: A challenge when trying to assess cost effectiveness of an intervention is that a technical analysis requires a scale or a comparator to be useful. An additional complicating factor is a tendency to confuse cost efficiency with cost effectiveness due to the same Swedish term, "kostnadseffektivitet", being used for both concepts.

Table 1. An overview of concepts related to costs

Figure 1. Schematic view of an intervention process with corresponding terms.



Category	Characteristics and definition	Relation to other concepts
Administrative costs/ administrationskost-nader	Costs necessary for the management and running of an organisation but not attributable to a particular activity or the production of an output. Examples: salaries for management, IT-systems and services, communications, office space and consumables, HR services, accounting and auditing, legal services.	May be budgeted as indirect costs.
Operational costs/ verksamhetskostnader	Costs incurred to for a particular activity, product, project or programme. Examples: salary costs for staff and experts, travel, rent, material, costs for auditing and evaluation.	Costs for executing a particular project or programme and attributable to a cost unit or centre. Usually budgeted as direct costs.
Indirect costs/indirekta kostnader	A cost category may be treated as direct or indirect. Indirect costs cannot easily be attributed to a particular cost centre (function, activity or output) and are often allocated in proportion to staff time. Costs for the following functions are often treated as indirect: general management, IT, financial and HR management, office space, accounting and auditing, communications, legal services.	Administrative costs are often charged to particular activities or units (cost centres or cost units) as indirect costs.
Direct costs/direkta kostnader	Costs that are linked to a particular unit, activity or output. Example: salaries for staff and consultants, travel, office space, material.	Operational costs are usually treated as direct costs.
Cost centre/kost-nadsställe	A term used in accounting to denote an entity, a function, or a project or programme which generates costs and to which direct and indirect costs are allocated.	Accounting term linked to direct and indirect costs.
Overhead costs/over-headkostnader	The term usually refers to the costs for the management and running of an organisation and that are not directly linked to a particular activity or output.	Overhead costs may be administrative costs and are allocated as indirect costs.
Intermediary organi-sa-tion/vidareförmed-lande organisation	An organisation that forwards aid funds to a third party. Example: Forum Syd is channelling funds to Swedish NGO's.	Costs for forwarding are operational costs and may be viewed as transaction costs.
Channelling costs/vi-daref ör-medlingskost-nader	Costs for the forwarding of funds through an intermediary party and consisting of costs for staff, travel and sometimes capacity building	Total costs that are linked to the channelling activity, mainly operational costs although administrative costs could be included.
Transaction costs/ transaktions -kost-nader	No standard definition exists in relation to aid. A generic definition is: costs that "add nothing to the actual value of that transaction". Transaction costs have been defined in relation to three stages in a transaction: 1. Search and information. 2. Negotiation and contract. 3. Compliance and control. A transaction cost analysis would seek to determine the net costs for all parties to an aid partnership.	Depending on how an analysis of transaction costs is structured it may include all the above categories.
Cost effectiveness / kostnadseffektivitet	A measure to assess the value of an intervention, a strategy or an organisational unit in relation to costs. It is calculated as the relation between inputs and results defined as outcome. The Swedish word "kostnadseffektivitet" is also related to cost efficiency denoting a relation between inputs and outputs.	The types of costs included in the analysis may vary. Both administrative and operational costs may be included in an analysis of the cost effectiveness of a certain activity, project or program.
Cost efficiency/ kost-nadseffektivitet	A measure to assess the relationship between the outputs and the cost of the inputs.	An analysis would include both administrative and operational costs.
Value for Money/ Value for Money	A concept and an approach to assessing an intervention that allows for a flexible inclusion and weighing of costs and benefits in a scorecard. Includes assessing the 3 E's (economy, efficiency and effectiveness) with equity as a separate aspect or integrated in the 3 E's.	An approach to Value for Money analysis may include all the above categories.

Appendix 2. Working document – Concepts and terminology applied to contributions

This document was produced as part of the process of this study and to give input to conclusions on the feasibility of using a transaction cost perspective in a strategic evaluation.

The terms of reference for this study ask for the definitions of concepts related to transaction costs from the first part of the study to be applied to a selection of interventions. In this part of the study some of the concepts from the first part will be examined in relation to a sample of contributions. As issues related to transaction costs stand at the centre of this study attention will be given to the mechanisms of development cooperation rather than to the purpose and content of the actual intervention and Sida's contribution.

We will focus on four concepts and terms:

1. Administrative and operational costs
2. Forwarding and channelling of funds.
3. Intermediary organisations.
4. Cost efficiency and cost effectiveness.

The review is based on key documents: the proposal/application for funds, Sidas assessment memo and Sida's decision. When relevant; annual reports and audit reports have been consulted.

Two types of cooperation partners have been selected: Swedish NGO's and multilateral organisations.

1. Swedish NGO's

Three framework organisations with different operational modalities have been chosen, SMR, Diakonia and SNF. In addition we have adde information on Rädda Barnen and Forum Syd, mainly from a recent study by E&Y May 2014).

Organisation	Members	Recipient org. Sweden	Regional/ Country office	Intern. Organ.	Recipient partners	Countries
SNF	–	–	–	–	66	22
Diakonia	–	–	Yes	?	3–400	28 (25)
SMR	17	yes	–	–	160	50
Rädda Barnen	–	–	(yes)	yes	?	?
Forum Syd	154	yes	Yes	–	154 (?)	64

A feature of Swedish development cooperation is the importance given to actors in civil society. The amount of aid to be allocated through Swedish civil society actors, notably NGO's is determined annually and amounts to about 10 % of the total funds allocated through Sida. In addition Swedish civil society organisations receive funding from Sida to implement other programmes within the allocation for cooperation with Eastern Europe and for communication activities, for humanitarian aid and for bilateral aid respectively.

To simplify the handling of the support through NGO's Sida uses multi year framework agreements with organisations that are assessed as having sufficient capacity and internal controls to handle and forward funds. Currently

Sida has entered into such agreements with 18 organisations. Many organisations will in their turn distribute funds either through their own regional and local offices, through an international organisation, and local member organisations or to organisations that apply for funding. Swedish NGO's with a framework agreement are estimated to cooperate with over 300 Swedish organisations and over 1400 organisations outside Sweden. (Sida Annual Report 2013)

Under a framework agreements Sida will allow an 8 % administrative grant and a forwarding grants to cover the actual costs incurred by organisations that have included forwarding in their agreement with Sida. As defined by Sida the 8 % grant is intended to cover the handling costs of the recipient NGO and to be transferred to partner organisations by the channelling organisation. A study has been made on what types of costs that are defrayed by this grant and the extent to which framework organisations will forward the grant to their partner organisations (Ernst&Young 2012). That study did however not analyse the actual costs of administration and for the forwarding of funds. As observed by Statskontoret the allocation chains can be quite complicated and involve several intermediaries (Statskontoret 2013:2).

Rädda Barnen is eyeing a proposal to distinguish between thematic costs, cross-thematic costs and non-thematic costs (E&Y draft report, May 2014). The latter category corresponds roughly to administrative costs as defined by Sida, whereas cross-thematic costs would also include evaluations and management.

The review of contributions has not included cases when Swedish NGO's receive funding from other allocations.

The following observations can be made from this limited sample:
1. The term transaction cost is not used. Channelling and administratie costs are used as terms but there is no common operational definition.
2. Administration costs are defined in different ways as is the use of the 8 % grant for administrative costs. The share of administrative and operational costs varies between organisations. It is difficult to get a coherent picture as the delineation between different cost categories is not clear, similar expenses may be variably classified as operational costs, administrative costs or channelling costs. The *financial reports* of framework organisations to Sida are presented in a set format and yield broad information on the allocation of the grants but limited information on actual costs.
3. Channelling. The grant from Sida to cover the costs for channelling funds to other Swedish organisations cover costs that are registered as operational by other organisations that forward funds. The term "channelling grant" is linked to the delegation of a public responsibility, that is a civil society organisation is authorized and under contract to allocate and disburse state aid funds. The costs associated with *the transfer of funds* to partner organisations are viewed as administrative or as operational costs in a seemingly arbitrary way. Funds are often transferred through several intermediaries or organisational "layers" to the final recipient with. Detailed information on this is not readily available to Sida. When funds are transferred through several intermediaries costs related to the handling of the support tend to be treated as operational costs. The character and value added of these chains are not made explicit. Moreover some organisations appear to manage a thematically and geographically diversified portfolio and to cooperate with a large number of partner organisations in Sweden and in foreign countries. This fragmentation may in itself entail substantial transaction costs.
4. The concepts of cost efficiency and cost effectiveness are confused and in assessments it is is equated with analysing the budget lines in a proposal.

Conclusion: The different grants for cooperation with civil society are being used for different purposes. The use of terms and concepts vary. The term transaction costs is not an established term in Swedish development cooperation but some term is needed to group costs related to the handling and channelling of funds.

Nevertheless a cost category is needed that would include all costs that are related to the handling of a contribution and would, tentatively, include expenses related to:

- contacts with actual and potential partner organisations including international, local and other member organisations,
- handling of proposals, applications and reports, including negotiations with partners,
- monitoring, including travel, audits and evaluations.
- capacity building activities that contribute to strengthening the management of partner organisations

Intermediary organisations

Some Swedish organisations have an explicit task to channel funds. However all Swedish organisations in the sample do channel funds through one or several intermediary organisations at different levels. The processes of intermediation have not been studied with some exceptions (E&Y undated). In order to bring greater visibility to this phenomenon the term intermediary organisation might be introduced in Sida's contribution management system.

2. Multilateral partner organisations

A large share of Sweden's development funds is channelled through multilateral partners, the UN system, the World Bank and other development banks, the EU, international NGO's and global initiatives.

In the UN and the multilateral development banks (MDBs) the Swedish funds are usually channelled through a single donor or multidonor trust fund (MDTF). The host institution will charge a percentage fee based on the contribution to administer the fund.

The UN organisation or MDB will use the funds to pay for projects and programmes managed by the organisation. In other cases the MDTF is mainly a financing mechanism for projects and programmes managed by one or several third parties.

Three interventions with multilateral organisation have been selected and the relevant documentation reviewed for the availability of information on the administrative costs for managing a programme and the indirect and transaction costs linked to the forwarding of funds to organisations and constituent projects in a programme.

Contributions reviewed:

CIWA – World Bank Multi Donor Trust Fund on Cooperation in International Waters in Africa 2012–2017
IUCN – Mangroves For the Future (MFF) Programme
UNICEF – UN Joint Health and Nutrition Programme in Somalia 2014–2016

Findings from the review:

CIWA is mainly a financing mechanism for a comprehensive program on with subprogrammes for river basins. The World Bank manages the fund and is in charge of the program and provides technical support to the subprogrammes. The WB will charge 14 % for the pledged funds for managing the fund and the programme and providing technical support to the subprogrammes financed through CIWA. 2 % of the 14 % go towards central WB costs.

The assessment memo finds that one of the advantages with a large scale programme is that it will be easier for local partners to draw on the experience of others and of the host organisation. Donors will be able to provide technical rather than managerial input to the programmes. As the fund is just starting and constitutes a financing mechanism it would not be possible to assess transaction costs for lack of information.

The assessment memo for the IUCN contribution finds the costs for operational coordination and overhead rather high at 30 % of the budget although the components are not discussed. The programme is supporting regional and national networks in addition to funding minor projects. IUCN provides technical and institutional support and coordination. The costs are expected to decrease with an expected increase in local funding. However a closer look at the budget gives rise to several questions. It is not clear how administration costs are defined and distributed. An alternative reading could yield a higher percentage of administration costs, particularly if counting the additional overhead of 8 %. The IUCN budget is a good example of the difficulty to analyze budget proposals. How funds are being channelled is also not made explicit.

The third intervention is the Joint Health and Nutrition Programme in Somalia for 2014–16, a comprehensive program with pooled funds under the leadership of the Ministry of Health and the three National Health Authorities and managed by a special unit. Three UN organisations are involved, WHO, UNFPA and Unicef as the host organisation for the funds. Together the UN organisations will charge 21% with an added 15 % to cover extra operational costs in Somalia. The additional charge on the programme is thus 36 % which is high and the programme is not seen as cost effective but still as the best available alternative. The overall budget for the programme is output based. Although the many planned coordination and consultation mechanisms are described there is no discussion of the costs, and benefits, of the specific design of the programme and its governance structure.

Conclusions: CIWA and JHNP are both financing mechanisms for large scale programmes that will involve a large number of actors. Also the MFF programme is complicated as it includes regional as well as local networks and initiatives. The World Bank comes out as the least costly when these three are compared. That the programme run by IUCN is so relatively more expensive to run could be explained by a number of factors. One may be that the value added of IUCN is not factored in and not made explicit. Another explanation could be that the organisation and the programme is not really cost efficient. All programmes are expected to forward funds to local actors and locally owned activities but this aspect is not particularly visible although discussed in the case of JHNP and also CIWA. It is also difficult to assess the implications of the programs for other parties and their transaction costs because the programmes are still at an early stage. The advantage with a comprehensive programme for local actors is mentioned in the case of CIWA. An analysis of the cost efficiency of the programmes and alternatives would require a substantial level of effort. An overall conclusion from the review of these contributions is that given the complexity of the programmes a thorough analysis using for example a Value for Money approach would require substantial effort and should be carried out jointly for the donors involved. Sida could incorporate considerations related to the costs and values to Sida for engaging in a particular intervention.

Appendix 3. Working document – Evaluability and transaction costs

This document was drafted as initial considerations related to possible evaluation themes and should be read as preliminary thinking on how a transaction cost perspective could be used as a basis for a strategic evaluation related to transaction costs in Swedish development cooperation and related issues of efficiency and effectiveness. The final proposal is included in Chapter 5 in the main report.

During the course of this study various issues related to transaction costs in development cooperation through Sida have come up for discussion. The brief overview of the literature at hand has also pointed to issues that might be pursued in an evaluation of transaction costs in relation to Sida's work.

What is a transaction? A common understanding is the exchange of goods and/or services between two parties that add nothing to the value of the object being exchanged. A transaction is schematically represented as consisting of three stages: search and information, contract and negotiation, control and compliance. This basic understanding forms the basis for the various theoretical and analytical approaches that have been developed within the framework of New Institutional Economics. In international development aid the issue of costs is complicated by the explicit preference for and the intrinsic value attached to longstanding relationships with certain cooperation partners.

We will keep these basic understandings in mind in the following discussion of different issues related to transaction costs in Swedish development cooperation through Sida.

Themes from literature

The articles reviewed in the first phase of this study present formal models for understanding and reducing transaction costs. The analyses have centred on how the choice of aid modality affect transaction costs and how to reduce transaction costs by choosing partner countries on the basis of geographical proximity. The model for analysing transaction costs in partnerships directs our attention to the importance of the quality of the relationship for both parties to the transaction and also to the transaction costs for beneficiaries in accessing the intended funds and services.

The theoretical models factor in the fact that transaction costs often hold an investment component that has to be considered in order to define the net transaction costs. This is an important consideration when viewing development cooperation as a partnership relation rather than a contractual one. An aid agency has a choice in how to balance these two approaches and this choice constitutes an important characteristic of the way the organisation is conducting its business. The theoretical analyses also point to the effects on transaction costs of the specificity of aid, that is the degree of earmarking and special conditions attached.

Themes from discussions

In the ToR and during the course of this study several other themes have been brought up. The channelling of funds through SCOs and multilateral organisations are often seen as linked to transaction costs. The choice of partner organisations has been viewed as more important than the choice of aid modality. Also broader themes related to the efficiency and the overall value for money of aid have been brought up. An additional perspective is where and through which mechanisms that value is created in the "transmission" chain of aid.

Issues related to the nature, content and processes of aid transactions could preferably be included as considerations in a broader evaluation focused on efficiency and effectiveness and the creation of value. Transaction costs would then be an aspect when evaluating the choice of aid modality and cooperation partners. In addition the transaction costs for the intended beneficiaries should be included. Initially the following four broad approaches to a strategic evaluation related to transaction costs were defined:

1. Choice of aid modality and partner organisation

From a donor perspective the choice of aid modality and partner organisation is critical Although these choices are dealt with and justified in the intervention handling system (Trac) there is usually a selection process that precedes the formal assessment procedure. The determining factors in these initial stages are usually not made explicit and analyzed. The choice and assessment of a partner organisation can be viewed as the first step in a transaction cost analysis – the search and information seeking phase.

Hypothetically the following factors may influence donors' choice of partner organisation:

- familiarity
- known capacity to channel funds
- known capacity to implement programs/projects
- known or assumed cost-efficiency of the organisation
- other donors are involved and there is a coordination mechanism

When positive all five factors would in theory decrease the search and information costs for any one donor and thus act in favor of continued or extended cooperation with a partner organisation.

Another case is when a donor agency like Sida decides to outsource the allocation of grants to a second party that will select and enter into contract with one or several third parties. Although the costs for Sida will be less, an intermediary organisation will incur costs that may or may not be offset by the value attached to using this particular intermediary. The services provided by the organisation Forum Syd is a case in point. Sida will reimburse Forum Syd for the actual costs incurred. Several of the organisations with a framework agreement with Sida provide similar services and receive compensation for this.

Challenge funds may use similar arrangements when the management of a particular type of grant is being contracted out. This is the case for the program Innovations against Poverty, where an intermediary organisation was contracted after competitive bidding to manage the program while Sida retained the right to contract.

Using single or multi donor trust funds is still another vehicle where a multilateral organisation is being used as a conduit for Swedish aid funds that are destined for a particular purpose or program. Often funds are then allocated to a third party fthat will execute a particular program.

Results based aid modalities can also be viewed as shifting a the share of the transaction costs related to monitoring and control from the donor to the recipient.

2. Excessive costs and leakage

Cost/leakage perspective: -overhead and high operational costs dilute the funds that can be sued to create value for the intended beneficiaries.

One, of several, task of Sida is to provide financing to organisations, programs, projects, and activities consistent with policy and that will contribute towards the aim of Swedish development aid. Funds are often channelled through other actors and there is a concern with the concomitant costs particularly when there are many intermediary organisations. The following list of questions could be used to frame this evaluatiion theme:

Should the actual transaction costs that are related to multiple forwarding or channelling of funds be estimated and considered by Sida?

Should Sida request information on or estimate the share of the grant that is being transferred to partner countries and that reach the intended beneficiaries?

Are there economies of scale when it comes to actual transaction costs? Selecting fewer partners would likely reduce actual transaction costs.

Should the transaction costs of partner organisations thst channel funds be considered part of the costs for implementing the Swedish aid policy?

How should you view the costs incurred by running regional and local offices in partner countries? Properly speaking they are not transaction costs, but rather indirect programme costs. In so far as the local offices forward funds to separate partner organisations do they also incur transaction costs?

What are the costs related to the "double" financing of the activities of some Swedish NGO's, both through the framework agreement grant and through specific programme financing from other budgets?

Could support to civil society in partner countries be channelled in some other way, possibly directly from the embassies or through core support to international NGO's?

What is the experience of the Swedish framework organisations that are linked to international NGO's such as Save the Children and Plan International?

Could you compare costs and value generated for different types of of Intermediary organisations:?

The task of Sida is also to leverage the resources and capacities of other organisations. An explicit aim is to engage a diverse set of Swedish public, civil society and private sector actors. Are there any implications for transaction costs?

The channelling of funds through global initiatives and funds in addition to multilateral organisations raises the question of the costs of using these intermediaries given their relative advantage in different contexts.

How and using which criteria do field offices and the Swedish Embassies select partner organisations? What is the perceived value added of Swedish CSO's, multilateral organisations and local partners?

3. Comprehensive transaction costs analysis

This theme would look at transaction costs mainly from the perspective of partner organisations. What are the costs and the value added of dealing with Sida – particularly in situations with multiple donors. What are the perceived and real additional costs of applying the RBM model used by Sida?

4. Policy implementation and transaction costs

This theme would focus on the costs for implementing policies and strategies, mainly from the perspective of Sida as an aid agency..

Questions to be explored:

Is it possible to calculate the costs for implementing particular strategies and policies?

If so how can differences be explained?

Is it possible to analyse the value added of the phases of contribution management and results based management?

What are the coordination costs for particular interventions and programs?

Is it possible to assess the costs of managing the fragmentation of Swedish aid through Sida?

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Appendix 5. Terms of Reference

UPPDRAGSBESKRIVNING 1(5)

2014-03-04

Katarina Perrolf, UTV

Ärendenummer:
14/000366

UPPDRAGSBESKRIVNING: FÖRSTUDIE KRING BISTÅNDETS TRANSAKTIONSKOSTNADER

Bakgrund

I budgetpropositionen för 2014 efterlyser regeringen en genomlysning av biståndets transaktionskostnader och konstaterar att det saknas samsyn kring vad som ska definieras som transaktionskostnader[1]. En sådan genomlysning väntas lägga en grund för mer informerade beslut om biståndets inriktning och utformning. Det svenska biståndet ska göra nytta i fattiga och förtryckta människors liv och en förutsättning för detta är att medlen går till avsedda ändamål och att transaktionskostnaderna är rimliga. Vidare konstateras att i särskilt svåra miljöer kan transaktionskostnaderna vara höga, vilket ska vägas mot marginalnyttan av att verka i dessa miljöer. Med skrivningen i budgetpropositionen som grund har Sidas GD tagit initiativ till en strategisk utvärdering av transaktionskostnader inom Sidas verksamhet.

Transaktionskostnader beskrevs första gången på 1930-talet[2] som ett sätt att förklara uppkomsten av företag på en marknad. Transaktionskostnader kan definieras som de kostnader som uppstår när en vara eller tjänst överförs från en aktör till en annan. Kostnaderna (tid och pengar) för att genomföra en transaktion varierar beroende på transaktionens natur och sättet som den är organiserad på.

I samband med att Parisdeklarationen om biståndeffektivitet utvärderades, så gjordes en studie om transaktionskostnader som drog slutsatsen att teorin om transaktionskostnader var överförbara även till ett biståndssammanhang[3]. I denna studie konstaterade man också att transaktionskostnader snarare bör användas som en "metafor" än som ett mätbart koncept. Transaktionskostnader kan delas in i tre kategorier; i) informationskostnader (kostnader som uppstår när givare och mottagare identifierar möjliga samarbeten); ii) förhandlingskostnader (kostnader i samband med förhandlingar, beslutsfattande, upprättande av kontrakt/avtal) samt iii) uppföljningskostnader (kostnader för att uppfylla/kontrollera avtalsvillkor, t ex uppföljningssystem, samordning).

Transaktionskostnader ska ses i perspektivet av Parisdeklarationen och åtaganden om anpassning och samordning. Vid den utvärdering av Parisdeklarationen som gjordes 2011 konstaterades att effektivitetsvinsterna av Parisdeklarationen varit blandade[4].

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[1] Proposition 2013/14:1, utgiftsområde 7, sid 46.
[2] Ronald Coase, 1937.
[3] Andrew Lawson, 2009: Evaluating the Transaction costs of implementing the Paris Declaration, Concept Paper, Fiscus Public Finance Consultants.
[4] Wood et al., 2011: Evaluation of the Paris Declaration, Final Report.

Vid en genomlysning av transaktionskostnader blir det viktigt att bl. a. skilja mellan transaktionskostnader på mottagarsidan respektive givarsidan och att ta hänsyn till att kostnader är kontextspecifika beroende på ett lands institutioner, rättsystem, politiska, ekonomiska och sociala system. Såväl transaktionskostnader och administrationskostnader är delar i kostnadseffektivitetsbedömningar. I ökande grad diskuteras även "value for money, VFM".

Internt på Sida pågår följande arbeten med beröringspunkter till förstudien. Sida har tagit fram ett papper kring kostnadseffektivitet inom utvecklingssamarbetet som syftat till att klarlägga Sidas tolkning av begreppet. Under året planerar Sida/VU en kompletterande analys av hur kostnadseffektivitetsanalyser kan struktureras på strateginivå såväl som på insatsnivå. Vidare kommer Sida/CIVSAM genomföra en översyn av kostnadseffektivitet och mervärde i de olika kostnadstyperna i ramorganisationernas budget (administrationskostnader, vidareförmedlingskostnader och verksamhetskostnader). På Sida/HUM pågår också ett arbete där man ser över hur man ska hantera administrativa kostnader i det humanitära biståndet samt ett arbete kring "VFM". På Sida/EKOADM pågår ett arbete med att analysera hur kostnadseffektivitet tillämpas i insatser. Delar av detta arbete finns presenterat i Sidas årsredovisningen för 2013.

Syftet med förstudien

Förstudien syftar till att ge ledning i om det finns ett värde i att gå vidare med en strategisk utvärdering med fokus på transaktionskostnader eller om ett annat fokus skulle ge bättre beslutsunderlag för framtida val av kanaler och instrument för genomförandet av Sidas verksamhet.

Mål med uppdraget

Uppdraget har tre huvudsakliga mål:

1. *Klarlägga begreppsapparaten runt transaktionskostnader och relaterade begrepp* som t. ex. kostnadseffektivitet, administrativa kostnader, vidareförmedlingsbidrag, "VFM"[5]. Frågeställningar skulle förslagsvis kunna vara; vad är transaktionskostnader (olika internationella och svenska definitioner), vad består transaktionskostnaderna av, hur och i vilka led (mottagarsida, givarsida) uppstår kostnaderna, vilka är aktörerna i transaktionerna (Sida, utlandsmyndighet, ett partnerlands regering, olika ministerier, lokala kontor, NGOs, FN organ, intressenter och målgrupper), hur skulle transaktionskostnader kunna översättas till Sidas verksamhet, vad definierar Sida som administrationskostnader, finns det "transaktioner" i vissa samarbetsformer som kan ses som "benefit" snarare än "cost"[6] dvs. kan vissa transaktionskostnader vara nödvändiga för att åstadkomma ett bra bistånd och andra inte, hur hanterar liknande organisationer som Sida transaktionskostnader

[5] Sidas tolkning av kostnadseffektivitet och relaterade begrepp finns redovisat i dokumentet "Kostnadseffektivitet i utvecklingssamarbetet" (Sida, 2013).
[6] Lawson (2009) skriver att en transaktionskostnad definieras som den kostnad som möjliggör en transaktion men som inte tillför något värde till själva transaktionen.

2. *Tillämpa begreppsapparaten på en eller två samarbetsformer inom Sida* för att testa hur detta kan föda in i den övergripande bedömningen vid val av insatser och samarbetsformer. Denna tillämpning skulle möjliggöra ett test av hur användbar en transaktionskostnadsanalys är för bedömning av relevans och kostnadseffektivitet och om detta är tillräckligt för att kunna svara på frågor som t. ex. om det går att bedöma och/eller mäta rimlighet och kvalitet kring transaktionskostnader, i vilka led som det är rimligt att bedöma transaktionskostnader (Sida-nära/slutanvändarnära), hur kan man hantera avvägningen mellan marginalnytta av en samarbetsform eller insats i förhållande lösningar som innebär höga transaktions- eller administrativa kostnader?

3. *Identifiera vilken kunskap en utvärdering skulle kunna tillföra och i så fall föreslå hur en eventuell strategisk utvärdering skulle kunna utformas.*
Baserat på arbetet med målbeskrivningarna i punkt 1 och 2 ovan, ska konsulten resonera kring ämnesområdets utvärderingsbarhet och vad en eventuell utvärdering skulle kunna tillföra för kunskap och hur den skulle kunna användas. Om så är fallet, föreslå en uppdragsbeskrivning för hur en strategisk utvärdering skulle kunna bidra med kunskap och verktyg att användas vid ställningstagande kring beslut om samarbetsformer, strategigenomförande och insatser, t. ex. rörande nivå på transaktionskostnader, administrationskostnader och kostnadseffektivitet på ett antal valda resultatområden i strategier för olika landkategorier och om vad som är kostnadseffektivt bistånd i det kortare och längre perspektivet.

Metod

Uppdraget ska genomföras genom studie och analys av litteratur och genom intervjuer. Konsulten ska säkerställa synergier och undvika överlappning med andra relaterade och pågående arbeten på Sida (VU, HUM, CIVSAM, EKOADM), UD (U-STYR, MU) och Expertgruppen för biståndsanalys. Kontakter med OECD-DAC för att följa upp arbetet med utvärderingen av Parisdeklarationen och om ytterligare steg tagits för att studera transaktionskostnader på landnivå och/eller sektornivå och om andra bilateraler eller multilateraler gjort/planerar liknande arbeten.

Valet av samarbetsform för att försöka tillämpa begreppsapparaten i ett Sidaperspektiv ska göras i samråd med Sida. Exempelvis skulle samarbetet genom svenska ramorganisationer, med vidareförmedling, vara ett möjligt område där en del

möte diskuteras val av samarbetsform för att kunna starta arbetet med mål 2. *Tredje mötet* äger rum då utkast kring mål 2 och 3 finns klart.

Konsulten ska ha regelbundna avstämningar med ansvarig utvärderare på UTV inför och efter varje 2referensgruppsmöte.

För uppdraget kan konsulten debitera ett arvode motsvarande högst 30 arbetsdagar à 8 tim, dock högst 180 000 SEK samt högst 2 000 SEK för ersättningsgilla omkostnader.

Uppdraget innehåller komplex materia och i det fall att det visar sig att mer tid behövs för att utreda de olika deluppdragen, finns möjlighet att lägga till extra tid till uppdraget. Detta måste överenskommas i förväg, skiftligen mellan båda parter, och förutsätter regelbunden avstämning med Sida/UTV kring tidsåtgång per deluppdrag under uppdragets gång. Tilläggsbudgeten tillåter att konsulten debiterar ytterligare högst 7 arbetsdagar à 8 tim, dock högst 42 000 SEK.

Rapportering

En rapport, på engelska, om högst 10 sidor, exklusive bilagor ska tas fram. Konsulten ansvarar för att ta fram ett förslag till struktur på slutrapport som ska godkännas av Sida. Rapporten ska bl.a. innehålla:

1. En bilaga som presenterar och definierar relevanta begrepp och termer (med svensk motsvarighet) och sätter dem i relation till varandra.
2. En bilaga som föreslår/presenterar en principiell struktur/modell för att bedöma transaktionskostnader med de olika kriterier som skulle kunna vara relevanta att ta hänsyn till vid bedömning av relevans och kostnadseffektivitet av en viss insats eller samarbetsform.
3. Utkast till uppdragsbeskrivning för en strategisk utvärdering (om detta bedöms som en framkomlig väg)

Ett första utkast till rapport ska inlämnas 5 dagar innan det tredje referensgruppsmötet och slutlig version skall inlämnas senast 15 juni 2014.

Konsultens kvalifikationer

Konsulten ska ha gedigen och dokumenterad erfarenhet av utvärdering och av ekonomisk, finansiell och kostnadseffektivitetsanalys inom utvecklingssamarbete. Uppdraget kräver god kännedom om Sveriges och Sidas biståndsverksamhet. Konsulten ska ha dokumenterad erfarenhet av att uttrycka sig väl i skrift, på engelska och svenska samt ha en gedigen analytisk förmåga.

Övrigt

Förslag på personer/organisationer att kontakta:

Helena Hansson, verksamhetscontroller Sida/CIVSAM

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OECD-DAC

Förslag på relevant dokumentation

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Transaction costs and development aid through Sida
A pre-study for a strategic evaluation

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