

Contract Financed Technical Co-operation and Local Ownership

**João Guimarães
Raymond Apthorpe
Peter de Valk**

**Department for Evaluation
and Internal Audit**

Contract Financed Technical Co-operation and Local Ownership

Synthesis Report

João Guimarães
Raymond Apthorpe
Peter de Valk

Sida EVALUATION 03/09

This report is part of *Sida Evaluations*, a series comprising evaluations of Swedish development assistance. Sida's other series concerned with evaluations, *Sida Studies in Evaluation*, concerns methodologically oriented studies commissioned by Sida. Both series are administered by the Department for Evaluation and Internal Audit, an independent department reporting directly to Sida's Board of Directors.

Reports may be ordered from:

Infocenter, Sida

S-105 25 Stockholm

Telephone: (+46) (0)8 506 42 380

Telefax: (+46) (0)8 506 42 352

E-mail: info@sida.se

Reports are also available to download at:

<http://www.sida.se>

Authors: João Guimarães, Raymond Apthorpe, Peter de Valk

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

Sida Evaluation 03/09

Commissioned by Sida, Department for Evaluation and Internal Audit

Copyright: Sida and the authors

Registration No.: 2001-2823

Date of Final Report: November 2002

Printed by Elanders Novum

Art. no. SIDA2209en

ISBN 91-586-8506-5

ISSN 1401-0402

SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Address: S-105 25 Stockholm, Sweden. Office: Sveavägen 20, Stockholm

Telephone: +46 (0)8-698 50 00. Telefax: +46 (0)8-20 88 64

Telegram: [sida stockholm](mailto:sida.stockholm). Postgiro: 1 56 34-9

E-mail: info@sida.se

Homepage: <http://www.sida.se>

Sidas Preface

The present evaluation forms part of a series of evaluations commissioned by UTV exploring how the principle of recipient ownership, fundamental in Swedish international development aid is put to practice in Sida's development co-operation. It is also a contribution to the assessment of contract-financed technical co-operation (KTS) as a particular form of technical co-operation used in Swedish development co-operation.

KTS projects involve transfer or development of technical knowledge, mainly through training or consultancy services provided by Swedish consultants on contract with a local partner organisation and financed by Sida on a cost sharing basis. The KTS projects should also be demand driven and involve a competent local partner and be limited in time, scope and financial volume.

The purpose of the present study is threefold: (i) to generate knowledge on how the characteristics of KTS are applied in different national and local contexts, (ii) to assess local ownership in KTS projects, and (iii) to analyse the relation between the use of KTS characteristics and local ownership in different contexts.

The evaluation is based on case studies in seven recipient countries with differing socio-economic profiles and environment for development co-operation (Botswana, Mozambique, Egypt, Guatemala, Lithuania, Mongolia and Ukraine).

The evaluation concludes that most projects under study have achieved a relatively high level of local ownership particularly with respect to objectives and knowledge outputs. In order to characterize how the principle of recipient ownership is being applied the study introduces the concept of *co-ownership* between the local partner, the consultant and Sida. Although the evaluation finds a positive relationship between KTS characteristics and local ownership most of the time, an important conclusion is that the contractual arrangement and cost sharing arrangements appear to be less important. The applicability of KTS as an aid modality is judged to be more related to the identification of a competent local partner organisation than the overall country context.

The evaluation comprises a synthesis report and seven country studies (in six volumes).

Eva Lithman
Director



Acknowledgements

In our own name as well as that of the country study teams, we wish to acknowledge the contributions of several people who enriched this study and made it easier for us to carry it out. These people include, first, virtually all those interviewed in the course of the country studies, be they staff of local partner organisations or of other local stakeholders, consultants, Sida staff – at headquarters or in the field - or others. With very few exceptions, these people were generous with their time and open in their answers to our questions. They made our task far easier and more interesting than it would otherwise have been.

We thank the Sida staff who took part in various seminars during which we presented our findings, for their interest and their useful comments. We also thank various members of UTV for their sustained interest in the study, for making us feel welcome at the Sida office in Stockholm, and for providing us with useful advice and enlightening discussions.

We are also grateful for special help received from four people working in UTV. For most of the study, True Schedvin was tireless in her support, comments and useful suggestions. We were sorry when she had to leave for a posting in Brussels. During their shorter periods of direct involvement in the last stages of the study, Göran Schill and Gun Eriksson Skoog made very useful comments, criticisms and editorial suggestions that helped us to improve several of the reports. Finally, we thank Eva Lithman for her interest and support during the last stages of the study.

To all these people, our deeply felt thanks. It has been a pleasure to work with them.



Table of Contents

Executive Summary	v
1 Need for Greater Visibility of KTS	x
2 More Explicit Commitment to Local Ownership in KTS Projects	xi
3 In What Contexts to Use KTS, and How	xi
4 Local Ownership of Evaluation	xi
5 On the Use of KTS Characteristics	xi
1 Introduction	1
1.1 General	1
1.2 The Assignment	3
1.3 Methodological Aspects	5
1.3.1 <i>A Policy Evaluation</i>	5
1.3.2 <i>The Approach Adopted</i>	6
1.3.3 <i>The Fieldwork</i>	7
1.4 Limitations of this Study	8
1.5 Plan of the Report	9
2 KTS Characteristics: Concepts and Operationalisation	10
2.1 Introduction	10
2.2 Background to KTS	10
2.3 A Discussion and Operationalisation of KTS Characteristics	12
2.3.1 <i>General</i>	12
2.3.2 <i>A Cautionary Note on Indicators</i>	13
2.3.3 <i>Content of the Co-operation</i>	14
2.3.4 <i>Contractual Arrangement</i>	15
2.3.5 <i>Sida's Role</i>	16
2.3.6 <i>Demand-Driven Projects</i>	17
2.3.7 <i>Cost-Sharing</i>	18
2.3.8 <i>Limited Projects</i>	19
2.3.9 <i>Competent Partners</i>	20
2.3.10 <i>Swedish Consultants</i>	21
3 The Meaning and Operationalisation of Local Ownership	23
3.1 General	23

3.2	The Meaning of Local Ownership	23
3.2.1	<i>Sida's Concept of Ownership</i>	23
3.2.2	<i>This Evaluation's Interpretation of Local Ownership</i>	25
3.3	Local Ownership: Working Definitions and Operationalisation	26
3.3.1	<i>What is Owned and by Whom</i>	26
3.3.2	<i>Indicators of Ownership</i>	27
4	KTS and its Characteristics: a Review of the Evidence	31
4.1	General	31
4.2	Content of the Co-operation	31
4.3	Contract and Contract Power	33
4.4	Sida's Role	36
4.5	Demand-Driven Projects	38
4.6	Cost-Sharing	39
4.7	Limited Projects	40
4.8	Competent Partners	42
4.9	The Nature and Role of Swedish Consultants	44
4.10	An Additional KTS Characteristic: Role of the Project Champion	45
4.11	Concluding Remarks: KTS Characteristics in Practice	46
5	Ownership in KTS Projects	49
5.1	General	49
5.2	Local Ownership in KTS Projects	49
5.2.1	<i>Ownership of Knowledge Outputs</i>	50
5.2.2	<i>Ownership of Objectives</i>	50
5.2.3	<i>Ownership of Project Formulation</i>	51
5.2.4	<i>Ownership of Implementation: Co-ownership</i>	53
5.2.5	<i>Ownership of Evaluation and the Choice of Swedish Consultants</i>	55
5.3	Ownership Patterns in Projects	56
5.4	Interpreting the Information on Ownership	57
6	Relation Between KTS Characteristics, Context and Ownership	59
6.1	Introduction	59
6.2	Selection, Design and Causation: the Logic	60
6.3	The influence of KTS Characteristics upon Local Ownership	61
6.4	Ownership, Incentives and Partnership	65
6.4.1	<i>Ownership and Incentives</i>	65
6.4.2	<i>Co-ownership and Partnership</i>	68
6.5	Adapting KTS Characteristics to Context	69
6.6	Summary	70

7	Concluding Remarks and Recommendations	71
7.1	Introduction	71
7.2	A Discussion of the Main Findings of this Evaluation	71
7.2.1	<i>Local Ownership and Co-ownership in KTS Projects</i>	71
7.2.2	<i>KTS Characteristics, the Context and Ownership</i>	72
7.2.3	<i>Redundancy of National Context as a Categorical Factor</i>	74
7.3	What KTS is	75
7.3.1	<i>General</i>	75
7.3.2	<i>The Nature of KTS: Divergent Perspectives</i>	75
7.3.3	<i>INEC and Sida-Öst: Differences and Similarities</i>	76
7.3.4	<i>A Definition of KTS</i>	77
7.4	Some Recommendations	79
7.4.1	<i>Introductory Remarks</i>	79
7.4.2	<i>Increased Visibility for KTS</i>	79
7.4.3	<i>More Explicit Commitment to Local Ownership in KTS Projects</i>	79
7.4.4	<i>Local Ownership of Evaluation</i>	80
7.4.5	<i>Where to use KTS, and How</i>	80
7.4.6	<i>Applying KTS Characteristics to Strengthen Local Ownership</i>	81
8	Broadening the discussion	84
8.1	Introduction	84
8.2	Co-ownership more Generally Useful and Relevant	84
8.3	Closer Targeting of Swedish Aid	85
8.4	Reducing Aid Dependency	86
8.5	‘Matchmaker’ and Other Approaches to Aid Co-operation .	86
8.6	Linking Means and Ends in Development Co-operation	87
8.7	Aid, Ethics and Efficiency	87
8.8	The Swedish Cultural Context of its Aid Characteristics	88
8.9	Sweden’s and Other Donors’ Aid Forms	89
	List of References	90
	Annex 1: Terms of Reference	91
	Annex 2: Composition of the Study Team	103
	Annex 3: List of the Projects Studied	104
	In Lithuania:	104
	In Mongolia:	104
	In Ukraine:	104
	In Egypt:	104
	In Botswana:	105
	In Mozambique:	105
	In Guatemala:	105

Abbreviations

BITTS	Board for International Technical Co-operation
EU	European Union
INEC	Department for Infrastructure and Economic Co-operation
INEC/KTS	Division for Contract Financed Technical Co-operation
KTS	Contract-financed Technical Co-operation
LPO	Local Partner Organisation
NGO	Non-Governmental Organisation
Sida	Swedish International Development Co-operation Agency
Sida-Öst	Department for Central and Eastern Europe
ToR	Terms of Reference
UNDP	United Nations Development Programme
UTV	Department for Evaluation and Internal Audit

Executive Summary

Introduction

This report presents the main results, conclusions and recommendations of a multi-country evaluation study of contract-financed technical co-operation and local ownership.

Contract-financed technical co-operation (KTS) is one of the aid forms used within Swedish development co-operation for technical assistance. KTS is used primarily, but not exclusively, in countries that do not qualify as traditional partner countries, mainly middle-income and transition countries. As seen by Sida, KTS projects share a number of special characteristics (indicated in this paragraph in italics). All KTS projects involve *transfer or development of technical knowledge*, mainly through training or the performance of consultancy services, and with *no or minimal financial support for purchasing equipment*. The essence of KTS projects is the *contractual arrangement* in which a local partner organisation (LPO) enters into a contract with a *Swedish consultant* for some form of technical assistance. Sida is not a party to this contract but assumes before both parties the responsibility for financing part of the contract, normally paying the consultant's fees and occasionally some other costs. It plays a *limited role* in actual project identification, formulation and implementation. Other characteristics include an emphasis on *competent local partners, demand-driven projects* and *cost sharing*. KTS projects are *limited in time, scope and financial volume*. In practice, as Sida also acknowledges, the KTS characteristics are applied in a flexible manner, so that KTS projects may take several different forms.

Sida considers **local ownership** of its co-operation projects – particularly KTS – as desirable, both as an end in itself and because it is expected to guarantee that the projects are given priority and support by the local partner. In turn, this leads to better utilisation or incorporation of the projects' outputs and increases their chances of effectiveness and long-term sustainability.

Purpose and Focus of Evaluation

- The Terms of Reference of the present evaluation assign it three *main purposes*: (i) to study the way in which the KTS characteristics are applied in different local contexts; (ii) to assess local ownership in KTS projects; and (iii) to discuss the relationship between the use of KTS

characteristics and local ownership in different national contexts. In total, seven country studies were made of ‘KTS at work’: they focused on Lithuania, Ukraine, Mongolia, Botswana, Mozambique, Egypt and Guatemala. These countries provide a variety of different national contexts within which KTS is used.

The focus of the entire evaluation, and of each of its country studies, is on the particulars and dynamics of the triangle of relations joining Sida, the Swedish consultants, and the LPOs, including their project personnel and other stakeholders. The *main question* to be answered was whether and to what extent KTS, through some or all of its characteristics, in actual practice promotes local ownership as expected. In addition to this, the evaluation was expected to address a number of other questions, such as ‘what is KTS?’, ‘in what contexts can it be usefully applied?’ or ‘what do we mean when we talk about local ownership?’ At a different level, the evaluation was also asked to reflect on broader aspects relating to the applicability and significance of KTS, in the light of Sida’s agenda of aid priorities and its philosophy and ethics of development aid and partnership.

In addition to its main purpose of determining the actual relationship between KTS and local ownership, Sida had a number of other reasons for undertaking the present evaluation. These include achieving greater clarity about KTS, about the kinds of countries or partners with which KTS may be used, and about the ways in which KTS characteristics should be applied in different national contexts. More generally, the evaluation is expected to provide inputs to the development of a general policy on KTS, currently under way in Sida.

The Approach Adopted

The approach adopted by this policy evaluation is based on the identification of a number of *different aspects of local ownership*, namely ownership of objectives, material and non-material (mainly knowledge) inputs and outputs, and of processes (such as project identification, formulation and implementation). For each of these aspects, ownership means different things and can be operationalised in different ways. For each KTS characteristic and for each aspect of local ownership, *operational definitions* were formulated, that permitted the comparison of different projects and the detection of regularities in the way in which the KTS characteristics were used across projects and countries, and in local ownership of projects.

Fieldwork was carried out by seven field teams and consisted primarily of interviews with people involved in each KTS project examined, mainly on the LPO side, but including also other local project stakeholders, con-

sultants and Sida staff. The questions asked focused primarily on the application of the KTS characteristics and on the various dimensions of ownership. The interviews were supplemented with analysis of project documents made available to the evaluators. Each country study was the object of a separate report; in turn the country reports are synthesised in the present report.

Summary of Findings and Conclusions

1 Concerning the Application of KTS Characteristics

The evaluation has found that KTS characteristics may be classified into three groups, according to whether they are (a) always present; (b) very frequently found; or (c) less frequently found in KTS projects. The first group includes the contractual arrangement, the exclusive use of Swedish consultants and the focus on knowledge transfer and development. The second includes the rule against financing equipment costs, the selection of competent partners and the stress on demand-driven projects. Finally, the third group of KTS characteristics – those that show greater variability – includes cost sharing, limited involvement of Sida in project identification, formulation and implementation, and limited projects (in time, scope and volume).

It is a finding of this evaluation that Sida usually plays the role of principal in a principal-agent relation, where the LPO and consultant play the agents' role. The main incentive, created by the principal to induce the agents to perform well, consists of structuring projects as successions of relatively short phases, and making the approval of each project phase depend on success in the previous phase. Often, Sida's role is even more hands-on than that, as Sida is active in project identification, formulation or implementation.

It may be concluded from these findings that KTS characteristics are indeed applied flexibly across projects and countries, but some much more than others.

An important finding of this evaluation is that most LPOs find it difficult to perceive KTS as a specific form of technical co-operation with distinctive characteristics, and to distinguish it from other forms of co-operation with which they work. This fact implies that LPOs will also have difficulty in perceiving and committing themselves to the objectives and the philosophy behind KTS, which may compromise their achievement.

2 Concerning Local Ownership

In general this evaluation found that a majority of the projects examined have achieved relatively high levels of local ownership of the various aspects identified. This was most obvious in the case of ownership of objectives and of knowledge outputs, and rather less so in relation to the various project processes. Ownership of processes was often weak in relation to the choice of consultants, and almost non-existent in relation to evaluation, particularly formal project evaluation, which remains firmly under Sida control.

Analysis of the ownership of processes, particularly project implementation, led this evaluation to introduce the concept of *co-ownership*: ownership that is shared by the LPO and the Swedish consultant and even, to some extent, by Sida. This is possible because, when applied to objectives, knowledge outputs or project processes, ownership is a non-exclusive concept. Interestingly, most LPOs indicate that they value such co-ownership more than assuming all responsibility for implementation themselves. There are also strong indications that co-ownership actually plays an important role in nurturing and strengthening local ownership. Indeed, perhaps the most important general lesson of this evaluation is that ownership does not have to be exclusively local: the sharing of project ownership with the Swedish consultant and Sida in fact reinforces local ownership.

As to the relations between different aspects of ownership, this evaluation concluded that, given some minimal necessary LPO competence, strong local ownership of project objectives normally leads to strong ownership of knowledge outputs (and thus, by one measure, to project success), even if the local ownership of processes is not as strong. Also interesting is the finding that in many projects the LPOs' organisational capacity and ownership of processes grew significantly in the course of the co-operation, and that Swedish consultants often play a key role in this process, because of their position and role as *co-owners* of the projects.

3 Concerning the Influence of KTS Characteristics Upon Local Ownership

In general, the KTS characteristics seem to have some positive influence upon local ownership most of the time. There are, however, significant differences among the influence of different characteristics, in the sense that some of them play a more important role than others in this respect. This evaluation finds that the following characteristics play an important role in ensuring project success (defined here as successful transfer and development of knowledge) and strong local ownership:

- the *content of the co-operation* (technical co-operation only, with little or no material support) helps **select** LPOs that are genuinely interested in the knowledge outputs of the project;
- the emphasis on *competent local partners* (which are often *professional organisations*) also leads to the **selection** of LPOs that are in a position to benefit from (i.e. own) the project's knowledge outputs and to take responsibility for (i.e. own) its processes;
- the emphasis on *demand-driven projects* **selects** projects where the LPO is likely to be strongly committed to (i.e. own) the objectives;
- through their strong commitment (i.e. co-ownership) and cultural competence the *Swedish consultants* play a key role in **stimulating and supporting** the LPOs' ownership of their project objectives, processes and knowledge outputs;
- the *limited size and scope* of projects mean that they remain quite simple, with clear objectives and straightforward criteria for success, which **facilitates** project success and strong local ownership of objectives and processes; and
- the *limited duration of KTS project phases*, combined with the possibility of stopping the project at the end of each phase if it does not perform well, also **creates incentives** for good performance of both consultant and LPO, and for strong local ownership.

This evaluation also found another factor that **facilitates** local ownership, particularly of processes, namely the presence in the LPO of a *project champion* that provides leadership and exceptional commitment. Indeed the project champion is so frequently found that it may be considered as another characteristic of KTS.

Characteristics that seem to play a less important role include the *contractual arrangement* (except to the extent that it facilitates the working of the incentive mechanisms discussed above) and *cost sharing*.

This evaluation also found that, in a number of cases, LPOs feel that their projects would be more effective if they could complement the services of Swedish consultants with those of *local consultants*. The fact that currently this is not possible weakens these LPOs' sense of ownership.

Finally, this evaluation found that a main reason for the unusually high rate of success (as defined above) of KTS projects lies in the way in which the motivations and the incentives of the main partners in the KTS triangle are aligned with project objectives. Through the work of these motivations and incentives, relations characterised by co-ownership gradually give rise, over time, to genuine partnerships, as indicated by behaviours and attitudes of LPOs and Swedish consultants, repeatedly encountered

by this evaluation. The fact that this happens despite the contradictions and inequalities inherent in development co-operation, such as those of donor versus receiver, of competent versus less competent, or strong versus weak, is a considerable achievement of all parties involved.

4 Concerning the Influence of the Context

From its analysis of the influence of the national context upon local ownership, this evaluation concludes that the main role of the national context is to affect the riskiness of the environment for KTS projects, in terms of both project outcomes and local ownership. Broadly, the less developed a country is, socio-economically, institutionally and administratively, the riskier its environment for KTS – or other – projects. In turn, the riskier the national environment, the more strictly do KTS characteristics tend (and need) to be applied, in order to compensate for the greater context-related risk and to ensure the achievement of project objectives (and local ownership, since the two are closely connected).

One important implication of these findings is that KTS may in principle be applied in a much wider set of countries than at present, provided special precautions are taken to identify and compensate for extra risk. The key question appears to be, not whether a country is more or less suitable for KTS co-operation, but whether in that particular national context competent LPOs can be found. If they can, the practical importance of the national context decreases. Competent LPOs and demand-driven projects then become more important for the applicability of KTS than the national context and its suitability.

Summary of Main Recommendations

1 Need for Greater Visibility of KTS

In order to maximise the purposefulness and effectiveness of KTS projects as well as their local ownership, Sida should increase the visibility of this particular form of aid by taking a more pro-active role in explaining to the LPOs what it wants to achieve by using KTS and explore ways to involve LPOs in fully sharing its goals. Awareness of KTS should be increased by (i) educating people about the specificities of KTS (within Sida as well as among LPOs and consultants), (ii) being more explicit about the ‘theory’ of KTS; and (iii) being more aware of similarities and differences in relation to other forms of aid.

2 More Explicit Commitment to Local Ownership in KTS Projects

To increase local ownership of KTS projects, stronger and more explicit commitment is needed among all Sida personnel involved in KTS projects to such ownership, and greater clarity is required about the potential of KTS to reach that end.

3 In what Contexts to Use KTS, and How

KTS may be used in countries characterised by lower levels of institutional and other aspects of development than those normally associated with middle-income economies. In these cases it is necessary to apply the KTS characteristics more strictly to compensate for the riskiness of the environment. It is particularly important under these conditions to ensure competent local partners, demand-driven projects and reliable, competent and committed Swedish consultants. Sida should also envisage a greater presence and more visible commitment during implementation, translated for instance into a closer monitoring of projects and a greater readiness to intervene if need be. Strategies such as starting with small, cheap short-term projects and later, as confidence develops and uncertainty decreases, moving on to larger and longer projects, seem especially appropriate.

4 Local Ownership of Evaluation

Local ownership of KTS projects will also be strengthened if the LPOs are closely involved in the evaluation process as co-owners. Efforts should therefore be made to increase local ownership of the project evaluation process, e.g. by involving LPOs in drafting the terms of reference for evaluations, in the selection of evaluators and in the assessment and acceptance of the evaluation reports. This would also improve chances for the formation of genuine partnerships.

5 On the Use of KTS Characteristics

These recommendations deal with how KTS characteristics should be applied in order to strengthen local ownership of KTS projects.

5.1 On *content of the co-operation, competent partners and demand-driven projects*: these characteristics should be retained as essential to KTS and continue to be applied as at present. In other words, KTS projects should continue to focus on technical co-operation with little or no financing of equipment, to involve competent LPOs and to be driven by strong local demand.

5.2 On *the contract*: The specifically regulatory nature of the contract should be strengthened as regards its national content, e.g. in relation to where arbitration should take place or to the competence of national courts for the resolution of conflicts. As the purpose or potential of this contract includes empowering the LPO, ways to achieve this purpose should be worked out together with the LPO – and possibly the Swedish consultant – on the basis of shared objectives.

5.3 When Sida sees aspects of *its own agenda* (such as gender awareness, human rights or environmental probity) as very important, especially at the outset of project negotiations, special measures should be taken to provide for such elements to become demand-driven as the project develops. Demand for these objectives may develop later rather than earlier in a project process.

5.4 There could be considerable risk in departing from the present KTS practice of engaging exclusively *Swedish consultants*. Particular thought should therefore be given to the question whether EU procurement rules for consultancy services in relation to KTS should be implemented or, at least for a significant period, circumvented or otherwise avoided. If the transition to EU procurement rules is seen as inevitable, an effort must be made to find alternative ways to preserve or reproduce the incentives that currently work so well for Swedish consultants, so as to ensure that the European consultants will produce work of a quality similar to that described and analysed in this report.

5.5 Consistent with present practice, *cost-sharing* should be seen less as sharing in a significant proportion of total costs than as the LPO making *some contribution* to project costs. Since cost-sharing, as presently practised (including its rather frequent waiving), is not an essential KTS characteristic, it should continue to be applied flexibly.

5.6 *Limited projects* are advisable where there is considerable uncertainty with regard to the realisation of project outcomes, in which case *limited phases* are advisable too, to reduce risks and strengthen positive incentive effects.

5.7 The *role that Sida presently plays* in KTS projects should be continued along similar lines. In order to increase flexibility, Sida should consider decentralising decisions about KTS approval and extension to its officers in the field.

5.8 Finally, Sida should respect LPO views concerning the usefulness of complementing Swedish consultant's services with those of *local consultants*, and modify KTS accordingly. This could be approached in a similar way to that used in relation to the provision of material support, i.e. limited in extent and only when seen as indispensable or at least particularly useful.

Broader Implications

This evaluation has also identified a number of lessons more generally applicable to development co-operation projects, and had the occasion to reflect on some broader issues than those discussed above.

Reducing aid dependency remains necessary even in the KTS context. To help achieve this, Sida should (i) include the objective of sustainability of results explicitly in discussions with LPO and consultant, so as to ensure that it is fully shared, (ii) agree with the LPO on an approach to ensure its achievement, and (iii) increase information and access required by the LPO, and more generally help to strengthen the LPO's organisation and its position.

Co-ownership may be more generally useful and relevant than just in KTS, especially if the objective of building partnerships is taken seriously. The non-exclusive nature of much local ownership needs to be more widely recognised and the value of co-ownership should be accepted in other forms of aid as well.

Closer targeting of Swedish aid (KTS as well as other forms) may become more necessary as resources – particularly administrative resources available for the deployment of aid – become more scarce. This could be achieved through (i) a focus not on countries but on organisations, (ii) the identification of these organisations' strategic needs and, since KTS concerns capacity building, through (iii) linking the shorter run perspectives needed to achieve efficiency with the longer ones that are required for capacity building and for the development of partnerships, and informing the LPO of this fact.

As well as having an efficiency dimension, ownership is seen by Sida as an ethical value. *Ownership as an ethical value needs to be promoted by Sida*, for instance by (i) being clear and explicit about ethical ends being sought, (ii) including ethical considerations – and particularly ownership – explicitly in terms of reference for evaluations.

International development co-operation benefits both the donor and the recipient country, albeit in different ways. In particular, donors benefit from the establishment of international solidarity and good relations. Sida could best *promote the values of mutuality in international relations* by adopting an approach to development co-operation that: (i) explicitly accepts that both donor and recipient benefit from development co-operation; (ii) recognises the existence of multiple objectives of aid programmes; and (iii) acknowledges that solidarity and good relations are as important as efficiency and effectiveness, and that benefits of co-operation often transcend project limits.

Coming, now, to areas where this evaluation considers that additional research would be useful, an important question concerns *the extent to which KTS may be described as a uniquely Swedish aid form*, in some or all of its characteristics. The way in which this question is answered has implications for what can be taught to and what can be learnt from other donors. Research appears necessary to situate KTS within the universe of forms of development co-operation: (i) comparing across donors; (ii) comparing KTS and non-KTS forms of co-operation within Sida; and (iii) studying Sida's and other donors' ways of internal institutionalisation of learning, capacity development and organisation (in relation to both KTS and other forms of co-operation).

Our understanding of Swedish development co-operation (and thus, indirectly, also of KTS) would grow if such co-operation were situated within its – Swedish – cultural context. *Further research thus seems necessary on the cultural context of Swedish aid*. This should (i) inquire into cultural, moral, religious and political dimensions of development co-operation, and ways in which they are affected by attitudes and values characteristic of Swedish culture; (ii) compare aid with non-aid issues in public affairs and foreign relations; and (iii) compare the Swedish cultures of co-operation with those of other (partner, donor) countries.

Chapter 1

Introduction

1.1 General

This synthesis report presents the main results and conclusions of a multi-country evaluation study of ***contract-financed technical co-operation and local ownership*** in different national contexts.

Contract-financed technical co-operation (KTS) is one of the aid forms used within Swedish development co-operation for technical assistance. KTS is used primarily, but not exclusively, in countries that do not qualify as traditional partner countries, mainly middle-income and transition countries. All KTS projects involve transfer of technical knowledge. Nevertheless, they differ from each other in the way in which this transfer takes place. In training projects, for instance, the transfer of knowledge is itself the project's main objective. In other projects, the consultant is predominantly a professional advisor, with training, if any, playing a secondary role.

The essence of KTS projects is the contractual arrangement in which a local partner organisation¹ enters into a contract with a consultant for some form of technical assistance. Swedish International Development Cooperation Agency (Sida) is not a party to this contract but assumes before both parties the responsibility for financing part of the contract (by means of 'letters of agreement'), normally paying the consultant's fees and occasionally some other costs. KTS projects also share a number of other special characteristics. The Terms of Reference (ToR) for this evaluation present and justify these characteristics in the following way:

There are a number of factors, characterising KTS, which support the division of roles and responsibilities set by the contractual arrangement. To guarantee that projects are supported and prioritised by the local partner, and thus that the local partner may be expected to take on the responsibility for the projects in the short and long term, KTS projects should be *demand-driven* and *cost-sharing* should be applied. Further, the partners should be *competent* enough to take on the responsibility and also to benefit from

¹ Local partner organisations – or LPOs, for short – may be public organisations (the most common case), publicly owned companies or, in some cases, business associations. Normally they are not private companies.

the technical assistance. To make it possible to withdraw the Swedish support as early as possible, and thus avoid aid dependence and ensure a continued strong local ownership, KTS projects should be *limited in time and financial volume*. Hence, the local partner may not count on being supported for several years ahead. This may be expected to create incentives for the local partner to assume ownership. The aid form is also characterized by the fact that the *consultants normally are Swedish* (ToR, p. 1, our italics)².

The KTS characteristics are applied in a flexible manner, which means that in practice KTS projects may take several different forms.

Sida considers **local ownership** of its co-operation projects – particularly KTS – as desirable, both as an end in itself and because it is expected to guarantee that the projects are given priority and support by the local partner, thus improving utilisation and/or incorporation of the projects' outputs and increasing their chances of effectiveness and long-term sustainability. There are also references to 'responsibility' and 'commitment' when explaining how local ownership is supposed to exercise its positive influence (see section 3.2.1 below). According to Sida, ownership of development co-operation projects has to be interpreted as *local ownership*. By the agency's definition, no actor besides the local agency can own the project. Whatever the relations other actors have with the project and its constituting elements, these should not be called ownership. For the purposes of this research, ownership requires a certain amount of re-interpretation, along the lines indicated in Chapter 3 below.

Finally, KTS projects are applied in different **national contexts**. The countries where KTS is used fall into two main groups:

- Transition countries: these include the former Soviet Union and Eastern European countries. This support is handled by Sida-Öst³ under its own special brief from the Swedish Parliament, and with specially allocated financial resources.
- KTS countries: these tend to be low and middle income developing countries, some of them former concentration countries for Sida aid. Until the fiscal year 2000 there was a specific KTS appropriation in the Sida budget, which was, in 1999, reserved for some thirty countries, none of which was then a partner country in the traditional sense⁴. This support is normally handled by INEC/KTS⁵.

² The ToR for this study are presented in Annex 1.

³ Department for Central and Eastern Europe

⁴ The KTS appropriation was abolished in 2001.

⁵ Department for Infrastructure and Economic Co-operation (INEC), Division for Contract Financed Technical Co-operation (KTS).

In addition to these countries, KTS can also in principle be used in the co-operation with traditional partner countries, such as Mozambique⁶.

The countries where KTS is used are very diverse in terms of economic development, social, political and organisational context, etc. The national context, and particularly the organisational context facing the local partner organisations, is bound to influence both the way in which KTS characteristics are applied in practice and the presence or development of local ownership. This influence is largely exercised through the constraints and incentives facing local organisations and the individuals that work in them. An in-depth understanding of the relations between the KTS characteristics and local ownership therefore requires an analysis of the local context, and of how it affects both the application of KTS characteristics and local ownership.

The main reasons that have led Sida to undertake the present evaluation are as follows:

- to ascertain what is the actual relationship between KTS and local ownership (a relationship that is generally considered, in Sida, to be positive, but has never been systematically verified);
- to come to a better understanding of and greater clarity about KTS, both in particular cases and as a form of development assistance;
- to generate guidance as to the kinds of countries or partners with which KTS may be used and as to how the KTS characteristics should be applied in different national contexts; and, more generally,
- to provide inputs to the development of a general policy on KTS, currently under way in Sida.

1.2 The assignment

There is considerable variability in the way in which KTS is applied in particular national contexts. The present evaluation has three main purposes:

- to study the way in which KTS characteristics are applied in different local contexts;
- to assess local ownership in KTS projects; and
- to discuss the relationship between KTS characteristics and local ownership in different national contexts.

This in turn requires that, for a representative sample of KTS projects, the following aspects be studied:

⁶ This support is handled by Sida's regional or sector departments, or by the Swedish Embassies.

- main characteristics of the national/local contexts within which the KTS projects are implemented;
- ways in which the characteristics of KTS have been applied;
- nature and character of local ownership; and
- relations between the concrete forms of application of the characteristics of KTS, on the one hand, and local ownership, on the other, taking into account the contexts in which the projects are implemented.

The focus of the entire evaluation, and of each of its country studies, is on the particulars and dynamics of the triangle of relations joining Sida, the Swedish consultants, and Local Partner Organisations (LPOs), including their project personnel and other stakeholders. The main question to answer is whether and to what extent KTS, through some or all of its characteristics, in actual practice promotes local ownership as expected by Sida. The evaluation was required to focus more on ownership as an end in itself, although effectiveness is taken into account to the extent that it (as well as project success) affects local ownership.

Further questions for the evaluation concern broader aspects of applicability and significance of KTS, including Sida's agenda of aid priorities, and its philosophy and ethics of development aid and partnership. The evaluation is also expected to throw some light on the concept of local ownership, on broader aspects of Sida assistance and the agency's relations with partners. While analysing experience to date, the study is seen not just as a historical exercise, but as one aimed at finding a way ahead for this particular form of co-operation, or for a variant that would achieve the same objectives.

In total, seven country studies were made of 'KTS at work': they focused on Lithuania, Ukraine, Mongolia, Botswana, Mozambique, Egypt and Guatemala. The rationale for the selection of these countries is as follows:

- *Lithuania* and *Ukraine* represent the Eastern Europe transition countries, one of the two main groups of countries in which Sida finances KTS co-operation. Within this group, the two countries further exemplify different local contexts regarding, e.g., how far the reform process has come, institutional strength and level of development.
- *Egypt*, *Botswana*, *Guatemala* and *Mongolia* represent countries where KTS co-operation is managed by INEC/KTS; this is the other broad group of countries in which Sida finances KTS co-operation. The countries chosen represent different geographical regions and typify different local contexts and different KTS trajectories. *Egypt* is a traditional and long-term KTS partner country, with a history of KTS co-operation since the 1970s. *Botswana*, as it developed, moved from traditional partnership to becoming a KTS partner country. *Guatemala*

is notable for the mix of KTS and non-KTS forms, but it can hardly be considered a traditional partner country for Swedish aid. Rather, Sweden's presence there has less to do with aid by itself than with support to the peace and reconciliation process to which, after years of civil war, the country has committed itself. *Mongolia* is a recent KTS partner country, with very different conditions for co-operation, compared with the others.

- Finally, *Mozambique* is a traditional partner country.

Four of these countries – Botswana, Egypt, Guatemala and Lithuania – are so-called 'middle income countries' (indeed Botswana and Lithuania are upper-middle income), while Mongolia and Mozambique are 'low income countries' and Ukraine is on the border between low and lower-middle.

In other words, the seven countries were selected to provide a variety of different national contexts in which KTS aid is used. The main reason for this relates to the expectation that different national contexts will interact with the application of KTS characteristics and significantly influence local ownership of KTS projects.

1.3 Methodological aspects

1.3.1 A policy Evaluation

This is a forward-looking, learning, policy evaluation, and not an ex-post project evaluation. It is an evaluation of an approach (or a family of approaches) to aid and international co-operation, at a sufficient level of abstraction to make it useful for practical purposes. It must therefore go into some matters of fundamental premises and postulates as well as

Project: Gender Awareness at the Ministry of Social Affairs and Social Insurance, Egypt
Photo: Sherin Abdel Hamid



some details of project operations and performance and themes that cross-cut individual projects and indeed countries.

While this evaluation builds upon our learning about particular projects, its analysis and recommendations finally transcend individual projects. Rather the emphasis in the final analysis is on a pattern of thought and action – KTS and its implications for local ownership – which is broader than the individual interventions made in its name.

1.3.2 The Approach Adopted

As is indicated in greater detail in section 1.3.3 below, this evaluation has entailed the study by several different teams of 39 projects in the seven countries selected for this evaluation. Given the nature of the enquiry that forms the core of the present study, to organise all the data thus collected was not a trivial task. A systematic approach was required in order to reduce subjectiveness to a minimum and to enhance the comparability of assessments between countries (and study teams), and thus the possibility to generalise from them. The approach adopted in this evaluation comprises a number of important aspects, which include notably:

- The formation of a *core team* to assume primary responsibility for the overall evaluation, and particularly for the present Synthesis Report. The core team worked together in the first study – in Lithuania – in order to develop a common understanding of the evaluation and a common approach that could then be applied to all the country studies.
- The organisation of the evaluation to ensure that at least one member of the core team was involved in each of the country studies, in order to ensure commonality of perspective and approach⁷.
- The identification of a number of characteristics and dimensions with which to characterise KTS and local ownership.
- The formulation, for each KTS characteristic and each aspect of local ownership, of *operational definitions* which in turn allowed the definition of *indicators and scales*. These were then used to characterise, in each project, both the application of KTS and local ownership. These operational definitions are presented and discussed in Chapters 2 and 3.
- The summary presentation of the main indicators for KTS characteristics and for the various types of ownership, for each of the different projects analysed, in the form of tables. This makes it possible to

⁷ For practical reasons, this could not be done in the Mongolia country study. The necessary commonality of approach was achieved, in this case, by the device of co-ordinating closely with the team in charge of that study, discussing their findings at length and contrasting them with the findings of the other country studies.

present a considerable volume of information in a concise and systematic form and facilitates comparison between projects – as well as countries – and the detection of possible regularities in the data presented⁸.

Finally, the core team placed special emphasis on communication among the different country study teams, to maximise the commonality of perspectives and of approach among them.

1.3.3 The Fieldwork

The fieldwork upon which the present synthesis report is ultimately based involved, in addition to the core team mentioned above, seven different country teams, each formed by Institute of Social Studies (ISS) and local experts. In all, these teams studied 39 projects in the seven countries covered by the fieldwork. Annex 2 gives the composition of all the teams and a list of the support staff who contributed to this study in various ways.

Fieldwork consisted primarily of interviews with people involved in each KTS project examined, mainly on the local partner organisation side, but including also other local project stakeholders, consultants and Sida staff. The questions asked of the LPOs focused primarily on the application of the KTS characteristics, and on the various dimensions of ownership. They dealt primarily with the following subject areas:

- General information about project objectives and content
- Content of the co-operation
- Priority of the project, ownership of objectives, stakeholders
- Origins and demand for the project
- Contract, contract management and role of Sida
- Cost sharing
- Limited nature of the project: length and number of agreements, expectations of future co-operation
- Competence of and relations with the Swedish consultant
- Competence of the LPO

The interviews were supplemented with analysis of project documents made available to the evaluators. The teams also had interviews with consultants and with Sida staff on various occasions. Whenever possible,

⁸ However, it must not be forgotten that such tables have disadvantages as well as advantages. They show nothing as to project dynamics, they give no indication as to the factors which determine or influence the characteristics of individual projects and they may be interpreted and assessed differently by different stakeholders. Thus particular care must be taken in their interpretation, so that more is not read into them than is reasonable.

the field teams sought the opportunity to present their studies and conclusions to Swedish embassy or Sida representatives through both initial and debriefing meetings.

Each country study was the object of a separate report⁹. The country study reports, which are published separately by Sida, contain a large part of the information upon which the present Synthesis Report is based¹⁰.

1.4 Limitations of this Study

The limitations of this evaluation are partly due to its restriction from comparing and contrasting KTS with non-KTS modes. Instead the comparative dimension in the evaluation is limited to just KTS as it is applied – though with notable diversity – in and across the selected countries¹¹. Further, because it emerged in all the countries visited that KTS has considerable invisibility as an overall mode of support with a clear purpose, and that local ownership was neither contested nor affirmed by the LPOs (and indeed most consultants), the evaluation cannot report as directly as it would wish on what can be credited directly and existentially to KTS as a perceived form of aid as regards local ownership.

Another source of limitation is that, though the evaluation is closer to a general policy assessment in respect of KTS than to a set of project performance appraisals, most of our interlocutors were more closely concerned with individual projects than general policy. The present evaluation is above all one of *actual KTS practice in the seven countries concerned*, and so it had to rely primarily on the interactions it could have with the repositories of actual practice. While the teams made every effort to learn as much as possible about project performance, the information that could be obtained on this subject was mainly based on the perceptions presented by, and analysed with, our interlocutors.

Also, given that, as it emerged, one of the most important aspects of ownership regards project outputs, it is unfortunate that the evaluation could not probe deeply into the reported successes of most KTS projects analysed. That would, however, have implied a drastic change in its nature, from a policy evaluation of KTS as a particular form of aid, to a performance evaluation of 39 KTS projects. Being a policy evaluation, it required the deliberate choice to maintain a wide scope of enquiry and comparison at the project level. Still, despite the good circumstantial rea-

⁹ With one exception, that of Botswana and Mozambique. Because of their closeness and of the fact that there is only one KTS project in Mozambique, these two countries were dealt with in the same report.

¹⁰ Sida Evaluation 03/09:01–06

¹¹ However, the collective experience of the evaluation teams with various kinds of development projects in a large number of countries does compensate to a significant extent for this limitation.

sons that were found in most cases to take those reported successes more or less at face value, and although of course every effort has been made to validate what we could, it remains true that a proper project evaluation might have led to a somewhat different view concerning those successes.

1.5 Plan of the Report

Following this introductory chapter, Chapter 2 presents a discussion of some fundamental concepts and a summary of the working definitions and indicators used to study KTS characteristics. Chapter 3 does the same for local ownership. This is followed, in Chapter 4, by an overview of the evaluation's findings concerning the application of KTS characteristics in practice. Chapter 5 reviews the main findings concerning local ownership of the KTS projects studied and, taking these findings as a point of departure, presents a discussion of some aspects of local ownership.

Chapter 6 then discusses the relations found by the evaluation between KTS characteristics, local ownership and context, and it provides an interpretation particularly of how context influences the application of KTS characteristics. This is followed, in Chapter 7, by a summary and discussion of some of the main findings of the evaluation, a discussion of the 'identity' of KTS and some recommendations. Finally, Chapter 8 is a short chapter on some broader issues of importance both for KTS and for other projects or programmes.

This report is complemented by three annexes. Annex 1 contains the Terms of Reference for this evaluation. Annex 2 presents a list of the people who participated in the various teams and of those that have, in various ways, been involved in the evaluation, and Annex 3 presents a list of the projects studied in the seven countries.

Chapter 2

KTS Characteristics: Concepts and Operationalisation

2.1 Introduction

The present chapter presents a discussion and operationalisation of the characteristics of contract-financed technical co-operation (KTS) and of local ownership. Section 2.2 presents some background information on the development of the KTS form of co-operation, from its creation until the incorporation of BITS, the agency that was mainly responsible for it, into Sida, in 1995. Section 2.3 contains a conceptual discussion of the main characteristics of KTS, accompanied by the presentation of a number of indicators used to help operationalise the concepts, enhance the possibility of comparing situations across different projects and countries and clarify the way in which KTS characteristics are applied.

2.2 Background to KTS

The origins of KTS date to the late 1970s, when Swedish development co-operation tended to be concentrated on a few countries, partly on the theory that in this way the aid would be most effective. The KTS programme was created to extend technical co-operation to a number of other countries, which had already reached a certain level of development, and thus did not qualify as concentration countries for Swedish aid. The new programme was to consist of partial funding of services provided by Swedish consultants in areas and for projects defined by client organisations from these new countries.

The new form of aid came under the aegis of a newly created agency, the Board for International Technical Co-operation (BITS), itself a successor organisation to the Board for technical training, initially established under Sweden's Ministry of Education. Interestingly, the activities of this forerunner took place largely under commercial conditions, since the

technical training services that were exported under its co-ordination¹² were paid by the importing countries (which consisted largely of oil-producing countries). Over time, its activities developed from technical training services to 'broader co-operation', including also general development services and technology transfer. Nevertheless, both the original Board and its successor BITS retained elements of a commercial orientation that was quite different from the orientation that prevailed in the rest of the development co-operation sector.

From the beginning, BITS adopted a 'hands-off' approach to KTS, restricting itself to a financing role and leaving the actual implementation of the project to the consultant and the LPO. The special type of contractual arrangement and the assumption, which was only made explicit later, that local partners were competent enough to (a) know what they needed and translate such needs into a project¹³, and (b) manage the project together with the consultants, and without needing constant inputs from the agency, made this 'hands-off' approach possible. This approach was partly a consequence of the fact that BITS remained very small despite the growth of the technical co-operation programme, which meant that it had to rely on the partners to run their projects. At the same time, this approach also allowed the agency to remain small.

In 1990, 'East-support' was introduced and channelled through BITS since it had long experience in working in middle-income countries, and presumably on the assumption that the level of technical and institutional development in Eastern European countries was such that they would be in a position to benefit fully from the technical co-operation programme. The fact that BITS mainly worked through Swedish companies or public agencies was seen as an advantage for the contacts and trade between Sweden and the new recipient countries. The instructions to Sida concerning 'East-support' include an explicit reference to the objective of strengthening links between Swedish society and the societies of the East European aid recipients, which Sida interprets as meaning that co-operation should also promote Swedish business. The new support did not, however, fully adopt the KTS format. Not only was aid to the new recipient countries subject to country strategies, it also involved some investment support, a concept that was alien to ordinary BITS operations. East-support almost doubled the budget of BITS (Andante Consultants AB, 1996, p. 9), which meant that each new country received

¹² These services consisted largely of technical training in connection with turnkey deliveries of industrial and infrastructural projects, and they drew on skills and resources found in the public sector (Andante Consultants, 1996:7).

¹³ The existence of a commercial dimension (particularly when the LPO paid a large share of the costs) also gave strength to the idea that LPOs knew what they wanted from their projects.

much more support than the traditional KTS countries. This reportedly placed the agency under considerable strain.

In 1995 BITS, together with other development aid agencies, was integrated into Sida. The original technical co-operation programme became a part of the Department for Infrastructure and Economy (INEC), while East-support was placed in a separate department, Sida-Öst, that has its own budget line and its own set of instructions from Parliament. There seem to have been some problems of acceptance in the Sida environment, which was more used to traditional aid than to what many people saw more as the promotion of Swedish business (and particularly consultancy). These problems seem to have affected mainly INEC-KTS, more exposed to the criticism from Sida's traditional aid side than Sida-Öst. Protected to a significant extent by its special brief and its special budget allocation, Sida-Öst seems to have been less affected.

2.3 A Discussion and Operationalisation of KTS Characteristics

2.3.1 General

The ToR for this evaluation define KTS as a form of aid, aimed at mediating the development of knowledge in the recipient country, characterised by a particular form of contractual arrangement, designated as contract financing, and involving three main parties: a buyer of services in the recipient country (the client), a seller in Sweden (the consultant), and Sida as a financing agency. In contract financing the role of the aid agency is, at least in theory, limited to financing part of the costs of an otherwise 'normal' contract between the client and the consultant, a contract to which Sida is not a signatory. As would happen with any market for services, the consultant is responsible for delivering, and the client is expected to ensure that it gets the services specified in the contract. The aid agency plays a limited role, since it does not intervene in the management of the contract and has no power in relation to the delivery and use of the services.

Once it approves for financing a project proposal related to the contract, Sida sends the client and the consultant letters of agreement, approving the contract and undertaking to finance the activities stipulated in the project document. The two parties then sign the contract, of which Sida receives a copy. As the contract is implemented, Sida receives regular progress reports as well as invoices, which it pays on condition that they are first approved by the client.

In addition to the two characteristics already mentioned – a particular form of **contractual arrangement** and the attendant **limited role**

for Sida – several other characteristics go together with KTS. Most of these are closely related with the question of ownership. They are expected to favour, or express, or stimulate a strong ownership and commitment to the project's objectives in the local organisation, and exclude or discourage organisations with weak ownership or commitment. These characteristics include the **content of the co-operation, demand-driven nature** of the projects, **cost-sharing, limited projects, competent partners** and the use of **Swedish consultants**, and tend to be applied in a variety of different ways.

These KTS characteristics are discussed one by one below, and indications are given of how some of them have been operationalised for the purposes of this study through the use of indicators. Before that, however, it must be stressed that their nature and importance are not necessarily fixed in practice or theory. The parties involved in the triangle of relations that is at the heart of this evaluation may have different perceptions in relation to the KTS characteristics, and each might wish to use its own indicators. The characteristics are also not, or not all, specific to the KTS aid form alone.

2.3.2 A Cautionary Note on Indicators

If well chosen for the purposes of an evaluation, indicators will reflect its concerns usefully. Whether, however, they are similarly practical for other purposes is to be determined. Donor and recipient perspectives about aid are rarely identical, whether as regards Sida and KTS, or more generally with other sources and forms of aid where a donor's philosophy and approach does not come from an agreed and negotiated process in which all parties fully participate on an equal or equitable basis. The indicators presented below cannot, for these reasons, be interpreted as the best possible, except from the particular point of view of this evaluation and its ToR.

More specifically, just what indicators are indicators of, depends partly on whose indicators they are. For example, what the KTS contract means to Sida may differ greatly from what it means to the LPO. Also there are anyway the ambiguities that are characteristic of all institutions (and without which they could not work, at any rate for all their adherents and members¹⁴).

Further, where a term is used metaphorically by the people among whom it is current and acted upon (as for instance the term 'equality' in contem-

¹⁴ Often institutions work as well as they do **because** they are ambiguous; if they were not, they could not work as well, or sometimes not at all. This is an important characteristic of institutions, which the present institutional evaluation needs to take fully into account.

porary democracies), this honorific usage needs to be appreciated as it is, not replaced by something supposedly substantial and measurable. There is thus always the danger for institutional and policy studies that indicators, however specifically, sensitively, replicably, etc., they may have been devised, in effect subvert rather than enhance practical analysis. A degree of broad allusiveness that is an important part of the data should not be analysed away. In other words, as temporary ground to stand on, operational definitions may serve an intermediate purpose well. But if taken too literally, too positivistically, they threaten to mislead. They are required in this study for a review of institutional associations and correspondences, filtering and facilitation, not an exercise in causality as in mechanics or physics.

The indicators defined may provide a certain comparability across projects and countries, and a certain basis of reliable information, necessary for the analysis to proceed. However, they are only a first approximation. The analysis that follows and builds upon their definition and measurement goes much further, identifying aspects and relations that transcend them, in ways that are difficult or even impossible to predict by the consideration, however thoughtful, of the indicators alone.

2.3.3 Content of the Co-operation

The content of KTS is usually described as ‘technical assistance’. However, since it may be sought and provided – at least in the countries visited – as much for reasons of institutional change as of simple technology transfer and adaptation, this description is not ideal. Rather, KTS would be better described as ‘technical and institutional’ assistance – in the case of Lithuania, for instance, specifically for EU accession or, more generally, for setting up a well-functioning market economy.

KTS projects usually involve several different types of activity. It is possible – and it may be important, both for understanding ownership and for explaining project results – to distinguish different forms of this assistance, according to the predominant activity or set of activities in it. The categories used in this evaluation include:

- Training, formal or informal (T), and Consultancy (C), which can take place with or without the transfer of tacit knowledge (K).

In training, the consultant works primarily as a trainer, and passing on knowledge is the main purpose of the co-operation. In consultancy, the consultant places his or her knowledge at the client’s service (e.g. by helping the client to make certain choices). The knowledge transfer that may take place relates to tacit knowledge and is a side-effect of the client and consultant working together, rather than a consequence of a training process.

2.3.4 Contractual Arrangement

The contractual arrangement between Sida, the LPO and the consultant is a, or even **the**, defining KTS characteristic. As this evaluation ascertained in the course of interviews with Sida staff, by using the form of contract financed co-operation, Sida expects to achieve the following objectives. *First*, the LPO (the ‘client’ in the contract) is expected to learn market practice (as opposed to aid practice) by designing contracts and using them to control the activities of the contracted consultant. *Second*, when KTS replaces long term co-operation, it is expected to provide an exit from aid by offering technical assistance for a limited period. *Third*, KTS is seen as a way of helping, in the context of transition, countries in Eastern Europe to develop market economies. At Sida, KTS is seen as a clean way of organising aid, with Sida’s role limited to financing the contract.

There are three important aspects to the contractual arrangement: (i) what roles and responsibilities are assigned to each partner in the triangle of relationships; (ii) what roles and responsibilities they actually assume; and (iii) what happens when one of the partners does not act according to the arrangement. The first of these aspects tends to be standardised, because all contracts have to be approved by Sida, and the agency has clear guidelines concerning contracts. The second is the subject of this evaluation, in the sense that it studies the behaviour and relations between the partners in the project, particularly when they deviate from what is seen as ‘normal’. Although they may be subjected to analysis, neither of these aspects lends itself easily to the definition of indicators.

At least in theory, the contract defines clearly the mutual obligations between consultant and LPO, and empowers the LPO to act as the buyer as in a ‘normal’ commercial relation. However, all finite contracts are incomplete: no matter how much effort is put into identifying possible alternative scenarios, some remain undefined and are not provided for in the contract. At the same time, empirically, the power that the contract is supposed to confer on the LPO as buyer of services can only be detected when it is exercised. For this reason it was important for this evaluation to establish how such matters are seen, and whether such power is used or not, by the LPO.

What is required in this respect is to ascertain the use by the LPO of the power (in the sense of ‘capacity to influence behaviour’) the KTS contract gives the LPO in its relations with the consultant. The following three values were used:

- *Irrelevant/redundant*: The LPO made no explicit attempt to use or invoke the KTS contract to mediate its relations with the consultant.

- *Low*: The LPO has tried to invoke the KTS contract in order to exercise influence upon the consultant, without much success.
- *High*: The LPO has successfully invoked the contract in order to exercise influence upon the consultant.

In this case, the first value is not measurable on the same scale as the other two but, since it refers to meta-analysis, its inclusion is acceptable.

2.3.5 Sida's Role

Sida is supposed to play a very limited role of financing the contract, without interfering directly in the relationship between LPO and consultant. To stress this fact, Sida does not even appear as a signatory to the contract between the two other parties, and expresses (and commits) its support to the project through a 'letter of agreement'.

Different parties in the triangle may have different perceptions as to whether Sida's role is as limited in KTS projects as it is stated to be, or felt that it ought to be. Allowance must of course be made for perceptions that Sida, as the donor, sets the rules for access to and operation and evaluation of KTS, and stays in both distant and close touch in non-contractual ways through its desk officers and others. There may also be differences according to which aspect of the project cycle is considered and given most importance. These aspects of Sida's role are discussed at some length in Chapter 6.

It is also important to assess the direct involvement of Sida in the day-to-day running of the project (what could be described as the degree of its 'hands-on' involvement¹⁵). The indicator characterising the role of Sida in this case relates to the *extent of Sida involvement in project formulation and implementation (including selection of the consultant)*¹⁶. This indicator takes the following values:

- *Low*: Sida played little or no role in formulation or implementation.
- *Medium*: Sida was occasionally involved in formulation or implementation.
- *High*: Sida was closely and actively involved at several points during formulation and implementation.

¹⁵ Note that 'hands-off' and 'hands-on' are not necessarily exclusive or contradictory descriptions when for example the latter applies to say financial control and the former to daily running of a project.

¹⁶ Note that monitoring is not included because, as a committed donor, Sida is expected to monitor project implementation in some way.

2.3.6 Demand-Driven Projects

To ensure local ownership, Sida requires that KTS projects be demand-driven. In other words, the agency's role is meant to be mainly reactive, to meet the mainly proactive role of the would-be LPO. The operationalisation of this apparently simple concept is, however, fraught with conceptual and operational difficulties.

A possible interpretation for the expression 'demand-driven', adopted for instance in the ToR for this evaluation, is 'initiated by the LPO'. Further elaboration in turn led to the question 'who had the initial idea for the project?' Unfortunately, in most cases the questions of who initiated a project, or who had the initial idea for it, are neither meaningful nor easily researchable questions for this evaluation. Especially with successful projects, it is literally impossible, within the constraints under which this evaluation has worked, to trace the origins and evolution of the idea that gave rise to a project¹⁷.

Given these difficulties, it is understandable that 'demand-driven', as we have seen the term used by Sida, is often interpreted simply as meaning that there was, at some point, a request for the project, issued by some local organisation. Presumably, someone in Sida also tried to make sure that the demand for it was genuine. Even if the original idea was Sida's or a consultant's, and if one or the other of these actors played a strong role in selecting, formulating and promoting the project, it would only be considered for funding if requested by some local organisation. It is, therefore, to be expected that for every approved KTS project there are, somewhere in the files, signatures of responsible persons in the recipient country, asking for it. All KTS projects are demand-driven in this trivial sense – but, precisely because it is trivial, it adds nothing to our understanding of the projects and the circumstances surrounding them.

To ensure that there is demand for KTS projects at a high level in the partner country, Sida normally only considers requests endorsed by the agency in that country that co-ordinates foreign assistance. These central co-ordinating agencies are often located in planning, finance or foreign affairs ministries. In the experience of this evaluation, however, such agencies have a decidedly mixed record in terms of the rigour with which they exercise their assessing and co-ordinating role. There are, undoubtedly, some that take this function seriously, and only pass on requests that they consider, after analysis, to refer to high-priority projects. Others,

¹⁷ It also does not help much to see who actually produced the project proposal. An analysis of a number of projects indicated that there seems to be a difference in practice between INEC and Sida-Öst, in that in INEC the proposal should come from the LPO (even if sometimes it was prepared with support from the consultant), while in the case of Sida-Öst several proposals seem to have come directly from the consultant.

however, appear more interested in maximising the flow of foreign funds, and yet others are little more than post boxes for the various agencies and ministries that apply for foreign assistance. One implication of this is that such requests do not by themselves constitute a guarantee of demand for the projects concerned. Confirmation that there is demand for the projects, both at the level of the LPO and at the national level, must be sought by other means¹⁸.

Another possible interpretation would be the degree of the LPO's interest in or commitment to the project. Indeed, what does it matter if the idea for the project was Sida's or the consultant's, if the LPO wants it strongly enough? This is, however, what elsewhere in this report we define as ownership of (or commitment to) objectives: the extent to which the LPO subscribes to, supports and identifies with the project objectives. It has the advantage that it can in general be assessed in a way that most people would agree with. There is, however, a methodological problem with this interpretation: 'demand-driven' would then become an aspect of ownership, and could no longer be perceived as a distinct KTS characteristic.

The challenge here is to find an interpretation for this expression that is close enough to its everyday meaning to make sense, and yet different enough from the ownership of objectives to allow treating it as a KTS characteristic. In this study, a project is defined as 'demand-driven' if it responds to a need on the part of the LPO, and if there was an awareness of that need on the LPO side, at the time the proposal was made. This definition can be justified on the grounds that (a) both those elements are required for a demand to be expressed, and (b) the demand will tend to be stronger the more strategic the need, and the stronger the LPO's awareness of that need¹⁹. It also allows a relatively easy assessment of whether a project was demand-driven.

The complexities mentioned above lead us to opting for a 'Yes/No' scale, rather than one with several values.

2.3.7 Cost-Sharing

Sida defines cost-sharing as the extent to which LPOs provide resources and implementation costs for in-country project activities. But no prescription is made as to what this proportion should be, and greatly varia-

¹⁸ For assessing demand (or priority) at the national level, the advice of Sida staff residents in partner countries, many of whom have probably been forced to develop heuristic methods for this purpose, may prove very useful.

¹⁹ This definition is in broadly line with Sida's Contract Financed Technical Cooperation (May 2000, p. 5) where it is said that projects that can receive support 'refer to activities which are of strategic importance to development in the partner country'. It is also, and crucially, compatible with the slightly different ways in which this concept was interpreted and operationalised in all the country reports.

ble contributions on the part of the LPO are accepted in practice. It is as if what Sida seeks is a token but significant contribution, as an earnest of commitment more than a means of support.

Given these uncertainties and taking into account the relative nature of this concept, this evaluation defined the indicator *degree of cost-sharing* with the following values:

- *Low*: No cost-sharing at all, or only inputs in kind.
- *Medium*: Provision of inputs in kind together with some sharing in local costs (e.g. transport, translation, some hotel costs) of the project.
- *High*: Provision of a significant proportion of the total costs of project implementation, including most or all of the local costs.

To come to a judgement about cost-sharing it may be relevant also to ascertain how important the cost contribution is in terms of the LPO's own, non-project, budget. In other words, the terms 'some sharing' and 'a significant proportion', used above, are interpreted here as relative both to the project budget and, perhaps more importantly, to the LPO's available resources²⁰.

2.3.8 Limited Projects

As the ToR for this evaluation indicate, 'to avoid aid dependence and ensure continued strong local ownership' KTS projects are supposed to be limited both in duration and in terms of their financial volume²¹. The second of these characteristics relates primarily to the fact that they tend to be relatively short consultancy projects, with a small material component or none at all.

It is very difficult for this evaluation to assess the second of these characteristics – i.e. small projects – since that would require comparison with other projects, of the recipient country and also of Sida.

The 'limited in time' characteristic relates to the extent to which the project is a one-off intervention. However, where an individual project

²⁰ It is a widespread practice as regards project aid, not only KTS, to require a contribution to local costs by the local partner. However, the importance of cost-sharing may not be seen in the same way by the local partner as by Sida. For example, as far as project costs are concerned, the LPO may find the proportion of total costs spent on the project, or the rule against payment for local consultants costs more important. In this case, little if any significance may be attached by the LPO to cost-sharing.

²¹ It is also worth mentioning that, in interviews with Sida-Öst, the rationale presented for the limited duration of projects was completely different from the above. Limited duration projects were seen as an instrument of flexibility in situations where the co-operation takes place in a constantly changing and very uncertain environment. In this context, the device of structuring co-operation as a series of limited projects was seen as combining the advantages of flexibility with those of building long-term relationship with the LPOs.

tends to be one in a sequence of projects, although it might appear to be the result of a stand-alone decision, it is important to capture both the history of the project and expectations of the LPO and the Swedish consultant as to what might come ‘next’. It must also be observed that, where institution-building is a main content of the ‘technical co-operation’, presumably all parties would agree anyway that what is required ‘takes time’.

For this evaluation the indicator *degree to which the project is limited* was defined, with the following three values:

- *Low*: The project is at least a medium term project – say, three to five years in duration – and the LPO hopes or expects the co-operation with Sida to be extended (as it may have been extended before).
- *Medium*: The project is short and clearly one of a series of related projects (as possibly indicated for example by a contract headed ‘Phase 1’ or ‘Phase 2’ or ‘Final Phase’).
- *High*: The project is a short, one-off event where the LPO does not want or expect either new phases or new projects funded by Sida to follow²².

2.3.9 Competent Partners

Two kinds of competence are relevant in the context of KTS: (a) technical competence in the substantive area of the project; and (b) organisational capacity (primarily for effective project implementation). The former refers to the capacity of the LPO to participate in the KTS project and fully appropriate and benefit from the technical knowledge transferred in the project. The latter refers to the capacity to play an active role in the process of co-operating with the consultant, and to manage the project and the relationship with the consultant effectively. However, both are difficult for this evaluation to assess in any detail. A policy not a project evaluation, it simply cannot go deeply into such internal project matters as competence, efficiency, and the like.

Competence is used as a selection criterion for the choice of local partners in the first place and, as such, it is clearly a relative concept: ‘competence for ...’ rather than simply ‘competence’, is what needs to be assessed. It is also a characteristic of the LPO that may – and is expected to – change: it is both possible and desirable for the LPO’s competence to increase substantially during the project.

This evaluation distinguishes the following values.

²² Clearly, what is ‘short’ or ‘medium’ term is largely relative. In the KTS context, and only as a broad guideline, we use ‘short-term’ to refer to projects lasting up to 18 months, and ‘medium-term’ to describe projects lasting up to three years or so.

a) *For technical competence:*

- *Low:* The LPO lacks the minimum technical competence to be able to take full advantage of the project's transfer of knowledge.
- *Medium:* The LPO has just about enough technical competence to take reasonable advantage of the transfer of knowledge involved.
- *High:* The LPO has considerable technical competence and is well placed to take full advantage of the transfer of knowledge associated with the project

b) *For organisational capacity:*

- *Low:* The LPO lacks sufficient organisational capacity for project management/implementation.
- *Medium:* The LPO has just about enough organisational capacity to manage/implement the project.
- *High:* The LPO has more than enough organisational capacity to manage/implement the project.

2.3.10 Swedish Consultants

At least some information on (a) the type of organisation and (b) professional competence has been sought, as regards the Swedish consultants involved.

(a) *Type of organisation*

The consultant may be a private company, an NGO, a semi-public agency, or a Swedish government agency or the consultancy arm of such.

(b) *Professional competence*

It is useful to characterise the competence of the consultants in relation to the job they are doing or supposed to do. This competence is likely to be a mixture of two kinds of competence: purely technical competence, and what could be described as socio-cultural competence, or the consultant's ability to adapt to the conditions of the country and build good relationships with the LPO. Socio-cultural competence is especially important in contexts which are very different from the areas where the consultant normally works. The following indicator does not distinguish the two, because both are essential for the consultant to be able to perform its role adequately. The following values are used to characterise the consultant's professional competence:

- *Low:* The consultant lacks the minimum competence to be able to carry out its duties in the project, in terms of both management and the transfer of knowledge associated with the project.

- *Medium*: The consultant has just about enough competence to be able to carry out its duties in the project.
- *High*: The consultant has considerable competence and can easily carry out its duties related to the project, in terms both of transfer of technical knowledge and of management²³.

²³ Note that where, as regards what is portrayed as a successful project, it is said by the LPO that ‘everything depended on the consultant’, ‘the consultant was excellent’, etc., this comment may apply to the consultancy company involved, one or other of its core staff or partners, or a sub-consultant i.e. those hired by the company but for example not named in the contract.

Chapter 3

The Meaning and Operationalisation of Local Ownership

3.1 General

The present chapter does for local ownership much the same that the preceding chapter did for KTS characteristics. Section 3.2 provides an in-depth discussion of the meaning of local ownership. This discussion is further developed in Section 3.3, which presents a number of indicators that were used to help operationalise the concept of local ownership and compare different projects from this particular point of view.

3.2 The Meaning of Local Ownership

3.2.1 Sida's Concept of Ownership

In common language, 'ownership of a project by an organisation' is normally used to signify the degree to which the organisation feels responsible for bringing the project to a good conclusion. In development co-operation, the assumed importance for local organisations to own their projects rests on two broad reasons: (a) ownership leads to efforts to bring the project to a good end and is thus assumed to be related to success, and (b) it is good in its own right as an expression of equality in the aid relationship. It is evident from the ToR and from some of our discussions in Stockholm that, for some people in Sida, 'local ownership' is a key, defining, issue for 'good co-operation'²⁴. Whether this is similarly the case for the co-operation partners is of course another matter.

All this relates closely with the way in which the term 'ownership' is used in *Sida at Work*, a fundamental reference for this evaluation. *Sida at Work* defines the *project owner* as:

²⁴ For some others in Sida, however, local ownership was *not* seen as a key issue for good co-operation; indeed they approached the subject of good co-operation without much, if any, reference to local ownership.

... the party which requests support for its project and which is responsible for the planning and implementation of the project, by having, for example, the organisation and staff for the task. The project owner can be e.g. a government agency, a voluntary organisation, a company or a research institution. The project owner also finances part, often a large part, of the cost of the project (Sida, 1998, page 15).

Two pages later, ownership is again discussed:

... we talk about 'ownership' of projects or activities in a way that goes further than the legal definition of ownership. In order to be able to say that a partner in co-operation is the *owner* of a project, the partner must have full rights to use the resources provided within the framework laid down in the project agreement. But this is not enough. The co-operation partner must also be prepared to assume full responsibility, participate actively in the work, and be ready to implement the project on its own initiative (*ibid*, page 17)²⁵.

Also important to understand ownership as seen by Sida is the principle that 'As it is defined in *Sida at Work* the term owner cannot be applied to Sida and other external actors' (Molund, 2000:2). Indeed the indication is that if Sida *were* to own one aspect or another of the project, this would constitute a dereliction of its proper role. Thus *Sida at Work* does not envisage the co-ownership that some concepts of partnership, common in aid discourse, would normally entail.

Another interesting aspect of *Sida at Work's* view of project ownership stresses the close association between ownership and control. It assumes that actual or potential conflict exists between the exercise of control by Sida (a responsibility of the agency *vis-à-vis* the Swedish Parliament and Government) and local ownership. This may be deduced from the following statements:

... Sida has a responsibility to exercise control. This responsibility must be exercised in such a way that the cooperation partners retain their ownership and that Sida does not take over command of the projects. *In relation to the parties which participate in each project, Sida's staff has the task of finding a practical, feasible balance between promoting ownership and exercising control* (1998, page 18).

'Control' in this context refers more to the Swedish agenda for aid than local ownership. Again, no condition of complementary and mutual substantive gain, achieved as a result of the aid relationship, appears to be envisaged here, as it would be if there were a non-exclusive idea of ownership. Indeed there is no reference in these writings to the idea that a good and continuing relationship between one country and another should be the main justification for international aid.

²⁵ 'Ownership' is used here in two different ways. When talking about the legal definition of ownership, the term is used in a descriptive sense. On the other hand, when ownership is mentioned in terms of the partner taking responsibility for a project, the term is used in a prescriptive way.

Project: Institutional Development of Civil Aviation Authority, Mongolia.
Photo: Eva Berger



Three aspects may be retained from this brief review. First, the local partner who owns the project is normally an organisation. Second, ownership connotes commitment to the project's objectives and the capacity or competence to exercise effective control over the process of project implementation. Third, while ownership is equated with the assumption of responsibility for, and the exercise of control over, the implementation of the project, no distinction is normally made between ownership of the inputs, processes, and eventual products or outcomes of the project.

3.2.2 This Evaluation's Interpretation of Local Ownership²⁶

This evaluation's understanding of ownership is based on two principles:

- (a) ownership must be understood as a *metaphor*: even though it has no feelings, an organisation *acts* just like an individual that owns, that feels responsible; and
- (b) projects need to be analysed further into their component elements, in order to improve our understanding of the way in which organisations own projects.

What is central to understanding ownership of a project is what the organisation *does*. Ownership must be defined in terms of the activities of the organisation, particularly those aimed at bringing the project to a successful end. This evaluation takes the view that 'ownership of projects', as a concept applicable to organisations, must be understood as shorthand to indicate the relevant and appropriate activities during the various

²⁶ This section is based on the discussions of the concept of local ownership presented in the Country Study Reports. For practical reasons of length of the report those discussions cannot be reproduced here.

project phases. Section 3.3 shows how this understanding is operationalised in practice.

3.3 Local Ownership: Working Definitions and Operationalisation

3.3.1 What is Owned and by Whom

A development project may be seen as a number of *processes* that are set in motion, guided and co-ordinated in order to transform material and non-material *inputs* into certain material and non-material *outputs or results*. Non-material results include for instance transfer of knowledge and institutional development. Project results are expected to lead to the achievement of one or more (*specific*) *objectives* which, in turn, contribute to the achievement of a *general or development objective*²⁷.

A working definition of ownership therefore requires some key distinctions: between ownership of *material inputs and outputs (i.e. objects)*, of *non-material inputs and outputs* (particularly, in the case of KTS projects, technical knowledge), ownership of *objectives* and of *processes*. Ownership has different meanings in each of these references. This implies that, for at least some of them, the term ownership is used metaphorically. Prescriptive meanings of ‘ownership’ tend to be more honorific and metaphorical as compared with descriptive meanings.

In relation to a project’s *material inputs or outputs*, it is easy to indicate who owns what and when. Ownership of objects can be equated with property rights. Property rights are, of course, not absolute. They are limited by legislation and agreements, for instance between the LPO and the donor.

Ownership of *material inputs*, and the transfer of such ownership, is in principle a trivial affair, clearly defined by the terms and conditions of the aid relationship, and is not particularly interesting for this evaluation. It may, on the other hand, be pointed out that, in a project where a consultant provides *knowledge inputs*, the transfer of these inputs to the LPO is done differently in training (where the transfer is direct) and in consultancy (where the knowledge is transferred in the form of the consultant’s advice). These differences have implications for the ease with which the LPO can appropriate the knowledge in question.

Ownership by an organisation of the *knowledge outputs* in technical assistance projects requires the mediation of individuals and the associated individual acquisition of knowledge. In other words, the organisation ac-

²⁷ This formulation deliberately uses the view of projects that underlies the Logical Framework Approach.

quires knowledge to the extent that this becomes personal knowledge of some of its individual members, who then put the knowledge to the use of the organisation.

Ownership of an *objective* may be equated with a commitment to that objective, as can be ascertained by examining the documents as to organisational priorities and the like. Whether this ownership can be translated into ownership of processes (see next) clearly depends on the local partners' capacity, and particularly its organisational competence. Commitment and organisational competence are therefore pre-requisites for ownership of objectives.

For this evaluation, ownership of *project processes* means the assumption of responsibility for project formulation, implementation and control. Ownership of processes may vary between different stages of the project cycle. An LPO may have the necessary competence to analyse its own situation and formulate projects that respond to its main needs, and yet lack the competence to take full responsibility for the management of these projects. It may then be forced to rely on the consultant for such management. The consultant may also mediate between the LPO and Sida whenever necessary.

Control, implementation, management are not entirely equivalent terms. Management may to some practical extent presume or subsume both control and implementation, but it connotes also something qualitatively different: committed decision-making about strategic choices for example of resource allocation. In the KTS frame, it connotes negotiation with Sida about the rules and possible variations of resource allocation and reporting. It was ownership of management that our interlocutors mainly referred to, rather than of implementation or control.

All the definitions of ownership given above are compatible with ownership by an individual, an organisation, or a group of organisations or individuals. As to who owns what in the recipient country, it is easy for instance to conceive of a project in which the project itself is owned by an LPO, while the objectives are co-owned by that organisation and other stakeholders, including certain government departments. Project outputs are owned by the project owner and may also be owned (or used, or enjoyed) by other project beneficiaries or stakeholders.

3.3.2 Indicators of Ownership

General

The use of indicators and scales for ownership helps reduce subjectivity in the assessment of different kinds of ownership. However, the operative word is 'reduce'. Indicators do not eliminate subjectivity. Rather they help

place this subjectivity within the bounds of inter-subjectivities, they reveal differences between the judgements of different evaluators, and they provide a chance to resolve such differences through open discussion.

Ownership of Project Outputs

a) Goods and Services

Ownership of goods and services (project inputs or outputs) is characterised in terms of rights of access, use and property and the corresponding obligations. These will simply be noted and described in this evaluation as necessary, with proxies not sought.

b) Knowledge

Knowledge transferred through KTS and used that would indicate ownership by an organisation may include e.g. new models for urban planning adopted, new methods of land registration, new forms of local government associations, new management methods. Note that in some cases, such new knowledge might amount not just to adoption of new software but also of institutions new to the partner country. In such a case, the highest rank below would be indicated. Occasionally, the knowledge may be transferred to people outside the LPO. In such a case, it is the use by those people, in their own contexts, that should be assessed.

The ownership of knowledge was ranked according to the *degree of incorporation of new knowledge* into the organisation's activity according to the following three values:

- *Low*: The new knowledge is not used or is only sporadically used in the normal activity of the LPO.
- *Medium*: The new knowledge is normally used.
- *High*: The new knowledge is centrally (strategically) used²⁸.

Ownership of Project Objectives

Ownership of project objectives may be measured by the *priority assigned to the project by the LPO*, as indicated for example by a staffing or an office change made in its favour, the foregoing of other desired objectives, etc. It may also be revealed by the key decision makers of the LPO. It was estimated along an ordinal scale formed by the following three values:

- *Low*: The project is seen as having a low priority in terms of the objectives of the LPO.
- *Medium*: The project, seen as useful, has similar priority to other activities of the LPO.

²⁸ In the sense that the organisation uses it for purposes of strategic importance to itself, e.g. to modernise the way it works or to strengthen its core competencies.

- *High*: The project is ranked as strategically important for the purposes of the LPO.

Ownership of Project Processes

a) *Formulation*

Formulation is the stage of the project cycle during which the idea generated during the project identification stage is developed and elaborated into an implementable project proposal. The product of the formulation stage is a document with sufficiently detailed information to make it possible to appraise the proposed project. Formulation is also often the stage when agendas not necessarily owned by the LPO, but by either Sida or the Swedish consultant (or both of these acting together), may be included in the project, even if the LPO does not consider them important or even useful.

The local ownership of project formulation may be indicated by the *control of the LPO over project formulation*, as indicated for example by the LPO having yielded unwillingly to particular elements being included against its preferences such as, for instance, the incorporation of a gender perspective in a project.

An ordinal scale with the following three values has been used by the evaluation:

- *Low*: The LPO accepted more or less passively the project formulation carried out by another party, for example the consultant.
- *Medium*: The LPO played an active role but did not take full responsibility for formulation.
- *High*: The LPO took full responsibility for formulation.

b) *Finding/selecting the consultant*

Did the local partner *control the selection of the consultant*? For a variety of reasons, in most of the projects examined by this evaluation there was no tendering for consultancy services. Reasons for this include a pattern not of individual and stand-alone projects (except on paper), but of projects in a sequence, or where for a particular type of project there existed only one or a few Swedish consultants with the required knowledge and competence. In some cases it also proved very difficult to answer the question ‘which came first, the project or the consultant?’, especially where the latter’s (non-project specific) business practices included seminars and exploratory visits with a marketing or public relations effect.

Whenever there is tendering – the exception rather than the rule, but an exception growing in frequency – the LPO is supposed to play the principal role in the selection of the consultant. For this it may sometimes benefit from the short-term support of a consultant especially appointed by

Sida. However, the complexities mentioned above, combined with the rarity of situations where the LPO played a dominant or even explicit role in the selection of the consultant, has led to the removal of this indicator – though not of the question – from the analysis.

c) Implementation.

While ‘implementation’ is a concept used in *Sida at Work*, ‘management’ is not. The evaluation chose to identify different elements of implementation, including management, and to assess these elements with regard to ownership. This was done based on the understanding that there are different aspects of decision-making involved in implementation, such as mediating relations with Sida, managing the project (which includes an important function of monitoring) and evaluation. Was the main responsibility taken, for each of these aspects, by the LPO or by the other two parties in the triangle?

Of these aspects, ownership of evaluation turned out not to require any indicators. This is because what happens is perfectly clear: formal, specifically commissioned evaluations are carried out by and for Sida alone in as much as the evaluators (be these Swedish or not) are selected by, and report to, Sida. On the other hand, the LPO is expected to play an important role in project reporting, approving progress reports and co-authoring final reports. Thus the LPO plays an important role also in evaluation processes.

Sida’s role as a financing agency and its approval of project reports is important to the question of ownership of relations with the agency. The *LPO’s responsibility for relations with Sida* was scored along a scale with the following three values:

- *Low*: The consultant takes most responsibility in managing the relations with Sida.
- *Medium*: Both the LPO and the consultant take responsibility for managing the relations with Sida, either together or separately.
- *High*: The LPO takes most responsibility in managing the relations with Sida.

The degree of *responsibility* of the LPO vis-à-vis the Swedish consultant *for project management* may have one of the following three values:

- *Low*: The consultant took the main responsibility for managing the project.
- *Shared*: The LPO and the consultant shared responsibility for project management²⁹.
- *High*: The LPO took the main responsibility for project management.

²⁹ The introduction of the middle value for the indicator, and especially the word used to designate it (‘Shared’) is a consequence of the finding of this evaluation (reported in several country reports and also in Section 5.2.4 below), that LPOs value more highly a situation in which they share responsibility for project management with the consultant than one in which they would assume all such responsibility.

Chapter 4

KTS and its Characteristics: a Review of the Evidence

4.1 General

Using the concepts and indicators presented and discussed in Chapter 2, the country evaluation teams assessed the application of the KTS characteristics in the projects under study. This information was included in matrices – one per study – which provide a summary overview of the application of the KTS characteristics in each country. These matrices, which can be found in the country study reports, together with other relevant sections of those reports, constitute the main source of information for the analysis in this chapter. This chapter summarises the findings of the country reports and cannot, for obvious reasons, go into the level of empirical detail found in those reports. The reader is referred to the country study reports for such empirical detail.

The application of KTS characteristics in the projects studied is very diverse, although certain characteristics vary much less than others. There is, in this general respect, no significant difference between Sida-Öst and INEC-KTS although, as will become clear below, there are some differences between the ways in which these two parts of Sida implement KTS projects.

4.2 Content of the Co-operation

The main explicit objectives of KTS are training (T) and consultancy (C), the latter usually also associated with the transfer of tacit knowledge. Table 4.1 gives information on the main objectives of each project examined in the seven countries covered by the evaluation (the transfer of tacit knowledge has not been considered because it is usually a side-effect rather than the main objective of the co-operation).

Table 4.1: Content of the co-operation³⁰

	Mainly T	Mainly C
Lithuania	2	6
Ukraine	3	5
Sida-Öst	5	11
Mongolia	3	3
Bots/Moz	0	6
Egypt	4	4
Guatemala	1	2
INEC-KTS	8	15
TOTAL	13	26

Two-thirds of the projects are mainly consultancy projects, although on a country by country basis the situation is different, with equal numbers of mainly consultancy and training projects in Mongolia and Egypt, and a predominance of consultancy projects in Botswana.

An important aspect of the content of the co-operation in KTS projects, which is not reflected in the table, concerns the provision of material and financial inputs to the LPO. Such provision is normally not practised, except for minor equipment components necessary for know-how development projects. Operational costs are not supposed to be financed at all, since the local partner is expected to have adequate financial resources to finance its own activities, including necessary administration. In practice, however, things may differ slightly: in one project in Ukraine the LPO reported the provision of significant material inputs, especially at the outset of the project. In a project in Guatemala, the LPO owes its very existence and continued functioning to Sida funding, although that has been channelled through a different project. In a third case, a project in Botswana, the KTS project concerned training and supervision of a hardware consultant, with the hardware itself being provided under a concessional loan. It nevertheless remains true that most KTS projects do not provide material inputs. Indeed this is one of the most frequently found KTS characteristics and, as will be seen in Chapter 6, it has important consequences in terms of incentives for ownership and project success.

³⁰ It is important to note that the total numbers in this table and others in the chapter do not always coincide, because in some cases the country teams could not come to an assessment of some of the projects they examined, from certain points of view (e.g. in Table 4.6 the total is only 38 because one of the projects could not be assessed from the point of view of the corresponding characteristic, limited projects; in Table 4.7 the total is 36 because for only those projects could this evaluation come to a clear assessment of LPO technical competence). Another important observation is that all the tables in the country study reports assess the projects as this evaluation found them, sometimes at the end of a long process of evolution through various phases, lasting several years.

4.3 Contract and Contract Power

In all the projects examined by this evaluation, the roles assigned to Sida, the LPO and the consultant by the contracts and letters of agreement are very similar from project to project. In each case, there is a contract signed by the LPO (as client) and the consultant, but not by Sida. Sida in turn commits itself to financing certain aspects of the contract through letters to both partners (*Letter of Agreement* sent to the LPO and *Letter of Undertaking* sent to the Swedish consultant).

The seven country studies reveal several additional aspects of the contract that gives KTS its name. The first of these concerns the presence of Sida in the contract formally signed between the LPO and the Swedish consultant alone. Despite the undeniable fact that Sida is not a signatory to the contract, it nevertheless is present in it, in a variety of ways. First, in most cases it is Sida that specifies what goes into the contract: all the contracts between the LPO and the consultant have to contain certain elements which are required by Sida, concerning e.g. division of responsibilities, performance, time schedules, reporting and information on costs, budget and payment plans. In addition to this, a large number if not the majority of KTS contracts actually follow a contract model developed by Sida for this purpose, although Sida also states explicitly that "... the wording of the project contract is the responsibility of the partners in co-operation" (Sida, *Contract Financed Technical Co-operation*, May 2000).

Secondly, Sida is explicitly mentioned in the contract in a number of ways, and not just as a more or less passive financier. In order for the contract to become effective, Sida has to approve it. In the letters it sends to the partners, it is also stipulated that any deviations from the contract have to be approved by Sida. Despite a statement to the effect that the consultant must report regularly to the LPO on progress and expenditure (reports of which Sida receives copies, and which the LPO must sign for approval before Sida pays for the consultant's services), Sida is at least as important a user of the reports as the LPO. Indeed, regardless of how the two contracting parties feel about these issues, there is a requirement that the reports take explicitly into account certain of the Sida overriding priorities, such as gender and environmental concerns (Sida, *Contract Financed Technical Co-operation*, May 2000, p. 11). In addition to this, the final report is the joint responsibility of the LPO and the consultant, both which are clearly reporting to Sida.

All this amounts to a situation in which Sida, even if it is not a signatory to the contract between the other two parties in the KTS triangle, and even though it may preserve a certain distance from day-to-day management of the relation between the two parties, has a very strong presence in the contract. Sida is the principal to whom both those parties have to

account for the use of the resources in the service of commonly agreed and accepted goals. As will be seen below, this role tends to be further reinforced by some of the other KTS characteristics.

As to the role of the LPO, the contract is supposed to simulate or reproduce realistic commercial conditions, in which the client designs the contract and uses it to direct and control the activities of the consultant. This would normally give the client the edge in its relations with the consultant, particularly when there is a difference of opinion between the two. In practice, however, the repeated enquiries of this evaluation concerning this empowerment effect revealed a very different reality. First, the contracts are often drafted by the consultants, basing themselves either on the standard contract proposed by Sida or on contracts which they use themselves in other contexts. Secondly, almost none of the LPOs interviewed indicated that they were aware of any sense of empowerment as a result of the contract. Only in a very small number of cases (3 out of 39) did LPOs report having explicitly used the contract to try to influence the consultant's behaviour or performance (see Table 4.2). Overwhelmingly, the response to these enquiries indicated that relations between LPOs and consultants were such that differences of opinion (which were already few because the co-operation tended to be plan-driven) were resolved smoothly during meetings and discussions.

Table 4.2: LPO use of contract power to influence consultant's behaviour		
	No	Yes
Lithuania	0	8
Ukraine	0	8
Sida-Öst	0	16
Mongolia	0	6
Bots/Moz	1	5
Egypt	2	6
Guatemala	0	3
INEC-KTS	3	20
TOTAL	3	36

Still, in relation to contracts and empowerment of the LPOs (and also to the 'hands-off' position of Sida), it must be noted that most contracts, and certainly the standard contract proposed by Sida, are governed by *Swedish law*³¹. In other words, disputes that cannot be settled amicably between the parties are to be settled in a Swedish court, or by Swedish arbitrators, often following Swedish (or international) arbitration rules. It is not diffi-

³¹ In the model contract proposed by Sida for KTS projects, a note to Article XI (Applicable Law) states: "This model contract has been drafted to be operated and construed under Swedish law. The parties are advised not to agree on another governing law."

*Guatemala.
Photo: IFAD/
N. McGirr*



cult to think of good and sensible reasons for this rule: they include the reliability, independence, efficiency and relative incorruptibility of Swedish courts and arbitrators. On the other hand, this rule considerably weakens the position of the LPO in relation to the Swedish consultant in any dispute between the two.

The reference to Swedish or international law and to the venues for settling disputes places the client at a disadvantage in relation to the consultant – which is always both Swedish and international. The standard KTS contract clearly differs from a ‘normal’ contract in this particular respect: in a client-consultant relationship in the real world of business, the client would normally determine which court should be used in case of a dispute. Under such circumstances, and notwithstanding the ‘good reasons’ mentioned above, it seems highly unlikely that clients would choose Swedish courts. This may help explain why some LPOs, when discussing the KTS triangle of relations, stressed the ‘Swedishness’ of both the other members of the triangle and the consequent weakness of their own position. It may also ultimately make the LPO more dependent on Sida as a (hopefully) benevolent arbiter, because Sida may be the client’s best hope of getting redress from the consultant, since few clients see as a real alternative going to court in a context where the consultant, rightly or wrongly, is seen as holding all the advantages.

Of course, this does not mean that the contract is irrelevant. It still has an important empowering effect because, by defining a framework where roles and responsibilities are specified, the contract and the associated ToR allow the co-operation to be plan-driven, thus minimising problems

in advance. In this respect, however, *the KTS contract is essentially no different from any other contract forms used in development co-operation*. They all define roles and responsibilities and, if they are well drafted (particularly the associated ToR), help minimise the occurrence of problems and conflicts and allow projects to be plan-driven. The appropriate comparison in this case is not one between ‘contract’ and ‘no contract’, but one between the ‘KTS contract’ and ‘other contracts’, and here the difference does not seem very large³². Indeed, most LPOs reported that they see little or no difference between a KTS contract and other forms of contract regulating the relations between donors, local partner organisations and consultants. Interestingly, several LPOs, in various countries, also indicated that they ascribe the smooth co-operation much more to their good relations with the consultant than to any power conferred on them by the contract.

Finally, it is important to stress that the KTS contract has played an important role in introducing some LPOs, especially in countries in transition, to (at least approximately) commercial contracts. In several cases, the contracts provided the LPOs with their first experience of managing a Western-style contract, ruled by private law.

4.4 Sida’s Role

Sida’s role in the KTS projects studied may be analysed from three different and complementary viewpoints. First, and as indicated in Chapter 2, it may be interpreted as the extent to which Sida gets directly involved in formulation and implementation of the various projects. Secondly, Sida’s role also has to do with the extent to which Sida’s (as distinct from the LPO’s) agenda appears in the projects. Finally, Sida’s role is related to its position in the contract as the principal and to its control over the co-operation through the evaluation of the results of past phases and the approval of subsequent phases.

Table 4.3 summarises the perceptions of this evaluation concerning the direct involvement of Sida in project formulation and implementation³³. Cases where there was significant involvement, i.e. where Sida did not restrict itself to the role of assessing proposals, helping find consultants, financing, monitoring progress and evaluating the project are more numer-

³² This is why this particular aspect of the contract is not analysed any further. Clearly, well designed contracts help avoid problems between the parties involved. It would, however, lie clearly outside the terms of reference for the present evaluation of KTS as a form of aid to analyse and discuss general questions of contract design and quality.

³³ Readers interested in understanding the role of Sida are strongly advised to check also what is said in this respect in the various country reports, particularly Lithuania (Sections 7.4 to 7.6). It is not possible to here give more than a summary account of that material.

ous than those where Sida retained a ‘hands-off’ approach throughout³⁴. There are some differences in the table between the aggregate values for Sida-Öst and INEC-KTS, but they are mainly a consequence of what happens in Lithuania, and cannot easily be generalised on the basis of the sample of countries studied.

Table 4.3: Direct involvement of Sida in KTS projects (formulation and implementation)

	Low	Medium	High
Lithuania	8	0	0
Ukraine	2	4	2
Sida-Öst	10	4	2
Mongolia	3	2	1
Bots/Moz	0	4	2
Egypt	0	6	2
Guatemala	2	0	1
INEC-KTS	5	12	6
TOTAL	15	16	8

As for Sida’s agenda, this evaluation found it to be widely present in KTS projects, albeit in different ways. In some cases, objectives related to this agenda were added to those that the LPO considered important, while in other cases the Sida agenda was actually championed by personal advocates – including, in addition to Sida personnel, in one case a consultant specially engaged by Sida and also some of the Swedish consultants supposedly working for the LPOs. Sida’s agenda was also present in various other forms, some of them quite obvious, including:

- the conditionalities set for the aid;
- the eligibility rules or guidelines defining the process of co-operation;
- the inclusion into the aid agenda of aspects, such as gender, which not all local counterparts felt to be a main priority;
- the exclusion of aspects which were felt, locally, to be a priority (such as, for instance, poverty alleviation in Ukraine); and
- the exclusive use of Swedish consultants.

It is also worth mentioning that, for most LPOs, the pressure by Sida to include certain aspects of its agenda in KTS projects, or the adoption of a role of active intervention, especially when there are problems with a project, are seen as normal behaviour on the part of the financing agen-

³⁴ Ways in which Sida became significantly involved in formulation or implementation include for example proposing certain projects or at least suggesting them, playing an active role in the project design (e.g. by including elements that otherwise would not be included) or, much less frequently, actually interfering in implementation, for instance by advising the LPO, or monitoring the LPO’s and the Swedish consultant’s fulfilling the terms of the contract, and intervening when they fail to do so.

cy. Indeed, in some cases LPOs see Sida's involvement in implementation very positively, as indicative of Sida's commitment to project objectives.

Finally, from the point of view of its role as principal and the control it exerts over KTS projects through the mechanisms of approval and evaluation of successive short phases, Sida is again strongly involved in the KTS projects. Thus (i) the succession of small projects, (ii) the expectations or aims of LPOs and consultants concerning further Sida funded co-operation after the current project or phase ends, and (iii) the dependence of the approval of a new phase on good performance during the preceding one, give Sida a very strong position and a very important role in the process as a whole. The agency exercises considerable control over both the LPO and the consultant, despite not being a signatory to the contract. This evaluation has found no reason to change its view, arrived at during the first country study (see the Lithuania Country Study Report, Section 7.6), of Sida as a 'distant principal', steering and controlling the project implementation process both through the contract itself and through the incentive system inherent in the approval of the successive phases in which most projects are organised. Particularly noteworthy is the fact that this role is played with a relatively small commitment of human resources on Sida's part, because of the way in which the incentive system works on the LPO and the consultant alike.

4.5 Demand-Driven Projects

By the definition proposed in Section 2.3.6, this evaluation found that the overwhelming majority of KTS projects examined were demand-driven (see Table 4.4). Indeed they could often be characterised as strongly demand-driven. Furthermore, the two KTS projects that were not demand-driven were approved by Sida, not as a result of a mistaken view (i.e. a misinterpretation of signals that caused Sida to believe a project was *demand-driven* when it was not), but because they were deliberately and explicitly *donor-driven*. In one of these two projects the LPO accepted the project despite having no initial interest in it, under pressure from Sida. During implementation, however, the project became the object of strong local demand and highly prized (see the Egypt Country Report). In the second case of low demand, political instability in Ukraine led to the disappearance of the LPO – a group that had been created for the purpose of serving as a counterpart to this particular project – and the consequent disappearance of the demand for the project³⁵.

³⁵ Here it may be said that, although the strategic need exists for the project, the political situation at some point was such that other considerations had more weight in the awareness of the counterparts, and they were not – or not sufficiently – aware of the need for the project.

	Yes	No
Lithuania	8	0
Ukraine	7	1
Sida-Öst	15	1
Mongolia	6	0
Bots/Moz	6	0
Egypt	7	1
Guatemala	3	0
INEC-KTS	22	1
TOTAL	37	2

Indeed, it emerged from several of our interviews that there is an important dynamic aspect to this characteristic. As the LPO acquires competence and confidence, partly as a result of the KTS co-operation itself, it becomes increasingly capable of independently defining its own needs and priorities, and correspondingly of identifying further projects or stages. Clearly, the more the LPO controls and assumes responsibility for the identification process, the more demand-driven are projects likely to be.

It must be kept in mind that even the priority assigned by LPOs to the projects they propose may reflect less the demand side than what they see as being on offer from Sida. This is especially true when there are country strategies made public by Sida. The country strategies present a Swedish agenda, albeit one that has been set after consultations with the partner countries. Such documents, which indicate Sida's priorities, are bound to influence local partners in the choice of what they propose, since they want to get financial support from Sida. In other words, demand is developed within a larger context of supply. Even in cases where LPOs actually originate the project idea, develop it as a project proposal and take the initiative to contact a donor to demand support, they often have in mind what donors are interested in supporting. Therefore, even if demand might not be driven by supply, it is at least geared to meet it.

4.6 Cost-Sharing

In theory at least, the principle of cost-sharing is expected to ensure the high priority of the project for the partner country, and to select as local partner organisations that have the financial capacity to cover their share of the costs. In practice, this evaluation found situations that both diverge from this picture and differ substantially from each other. Perceptions about cost-sharing also vary greatly between all parties involved.

Table 4.5 summarises the situation in the countries studied, from the

point of view of actual cost-sharing as it could be assessed by this evaluation. It shows that there is a great diversity of situations both among and within those countries. Botswana and Egypt have the highest levels of cost-sharing, and Lithuania and especially Ukraine probably the lowest. Cost-sharing in the projects examined ranged from zero (including a case of cost-sharing paid by another national institution), or even negative, as in the case where Sida paid for several costs of the LPO, to the very high share of all local costs plus 50 percent of all foreign costs. Within countries there are also big differences. These relate primarily to the LPOs' capacity to bear a significant proportion of local project costs. In some of the projects, e.g. in Lithuania, cost-sharing increased over time, as the LPOs' ability to pay increased.

Table 4.5: Extent of cost-sharing in the countries studied

	Low	Medium	High
Lithuania	4	3	1
Ukraine	6	0	2
Sida-Öst	10	3	3
Mongolia	2	4	0
Bots/Moz	0	0	6
Egypt	1	5	2
Guatemala	1	0	2
INEC-KTS	4	9	10
TOTAL	14	12	13

This table also shows, first, that there are approximately the same numbers of instances where cost-sharing is classified as low, medium or high. Secondly, cost-sharing as a requirement seems to be more strictly applied in INEC-KTS than in Sida-Öst. This may be related partly to the straitened circumstances of public sector organisations in the former Soviet Union, including Lithuania (despite this country's comparative affluence within the ex-Soviet world), partly to a more relaxed attitude about cost-sharing in Sida-Öst. Of course, the sample is probably too small to permit a general conclusion, but the differences between the two sets of countries are nevertheless striking.

4.7 Limited Projects

For the reasons indicated in Section 2.3.8 above, KTS projects are supposed to be limited in both duration and financial volume. The second of these characteristics will not be discussed here, because it is more or less automatically realised, due to the fact that KTS projects tend to be relatively short consultancy projects, with no or just a small hardware component.

The limited duration of KTS projects is rather seriously undermined by the fact that in many, if not most, cases the co-operation goes through phase after phase, each presented and approved as a separate project, over periods that may approach and even exceed ten years³⁶. Table 4.6 presents some statistics concerning the degree to which the projects reviewed are limited in time. Only 11 of the 38 projects which could be assessed from this point of view could be described as one-off projects, unlikely to be extended into other phases. Even in some of these cases, however, the LPOs indicated that they were preparing, or had just submitted, or had just received approval of, new projects or phases³⁷.

In this respect there is some difference in practice between Sida-Öst and INEC-KTS. Most one-off projects are INEC-KTS projects, while Sida-Öst hardly has any of those. Even in INEC-KTS, however, the number of projects that are medium-term or went through more than one phase exceeds that of one-off projects – and these one-off projects include some feasibility studies, which are short-term projects almost by definition. The difference between the two is therefore not as large as it seems at first.

Table 4.6: Limited projects (in time)

	Low	Medium	High
Lithuania	3	5	0
Ukraine	0	6	1
Sida-Öst	3	11	1
Mongolia	2	3	1
Bots/Moz	2	3	1
Egypt	2	0	6
Guatemala	2	0	1
INEC-KTS	8	6	9
TOTAL	11	17	10

The often long relationship between Sida and the LPOs cannot be said to be in contradiction with Sida's policies, as these projects are still executed within limited short-term phases. One might argue that both parties gain from this two-level arrangement of long-term relations and short-term projects. Sida sees immediate results of the projects and can retain the flexibility and control (and the possibility of terminating projects) associated with approving successive phases, while the LPO enjoys a degree of continuity with the donor that is regarded as an important element of international co-operation. There is, in addition to this, another role played by the organisation of projects in series of short-term phases, namely to

³⁶ Indeed, in one particular case Swedish support has been going on for almost twenty years.

³⁷ Equally, the way in which Sida officials sometimes refer to the decision 'not to continue' a project seems to indicate that they see continuation as the rule rather than the exception.

create an incentive for the two contract partners to perform well, and to provide Sida with a control mechanism to assess performance, and base the approval of a new phase or project on this assessment. On the other hand, with short decision horizons, some long-term objectives of institutional development may not be appropriately taken into account.

As was observed in a country study seminar, KTS projects are also limited in the sense of the *limited scope of project objectives*. Most of the KTS projects examined by this evaluation were also limited in scope and characterised by clear and well defined objectives. Even projects that turned out, in hindsight, to be long and complex were, by the process of approving them phase by phase, made to appear limited and well defined to the parties involved. The importance of this characteristic is that it allows the LPO and the consultant to define and strive for relatively straightforward targets and criteria for success.

The rationale quoted above is not the only justification given by Sida for the limited duration of projects. In several interviews with Sida-Öst, the justification given for this KTS characteristic was completely different. Successions of limited duration projects are seen there as an instrument of flexibility in situations where the co-operation takes place in a constantly changing and uncertain environment, such as that of countries in transition. In this context, structuring co-operation as a series of relatively short projects is seen as combining the advantages of flexibility with those of long-term relations with the LPOs, necessary for institutional development and capacity building. As uncertainty in the co-operation decreases, our interlocutors in Sida-Öst envisage without any problem extending the duration of KTS projects (to two or three years), to serve objectives which cannot be easily reached in short-term interventions. To INEC-KTS, the possibility of phasing out quickly seems more important. This may explain a substantial part of the difference between the practices of the two Sida departments, evident in Table 4.6.

4.8 Competent Partners

The requirement for competent partners is associated with the expectation that Sida will play no role, or only a limited role, in project implementation. Accordingly, the LPO has to be able to manage the project and the relations with the consultant without relying on Sida for help. This is what has been interpreted in Chapter 2 as organisational competence. At the same time, and in order to benefit as much as possible from the knowledge that is transferred in the course of projects, the LPO must have some level of substantive or technical competence, although of course that competence is expected to increase as a result of the project. It is important to stress that both organisational and technical compe-

tence were scored in each case *in relation to* the challenges posed by the respective project³⁸.

This evaluation found most LPOs to be competent or very competent, both technically and organisationally. As indicated in Tables 4.7 and 4.8, the cases of LPOs considered to have low competence were almost non-existent. This indicates that the mechanisms, both implicit and explicit, of LPO selection have been successful in weeding out less competent partners. In the great majority of cases, the LPOs involved in the projects examined are not just competent organisations, they are *professional organisations*, i.e. organisations for which the knowledge outputs expected from the projects are clearly defined and understood, and common professional standards facilitate transfer of knowledge.

Table 4.7: Technical competence of the LPOs

	Low	Medium	High
Lithuania	0	5	3
Ukraine	0	2	5
Sida-Öst	0	7	8
Mongolia	0	3	3
Bots/Moz	0	1	4
Egypt	2	0	5
Guatemala	0	0	3
INEC-KTS	2	4	15
TOTAL	2	11	23

Table 4.8: Organisational competence of the LPOs

	Low	Medium	High
Lithuania	0	4	4
Ukraine	1	1	5
Sida-Öst	1	5	9
Mongolia	0	6	0
Bots/Moz	0	0	5
Egypt	0	1	5
Guatemala	1	0	2
INEC-KTS	1	7	12
TOTAL	2	12	21

³⁸ Although this still requires the evaluation teams to make judgements with very limited information, it is much easier to assess the extent to which the competence of an LPO matches the requirements of a project than to carry out an absolute assessment of that competence. In the first case, it helps that the project results (in terms of, e.g., success or failure) are likely to be strongly correlated with that relative competence.

Also worth noting is this evaluation’s perception, shared by the majority of LPO and consultant staff interviewed, that the organisational and technical competence of the LPOs grew significantly in, and possibly as a result of, the co-operation process. This is related to the fact that a significant proportion of the KTS projects examined is focused on *strengthening and improving the core competence of the LPO*. This directs the project towards the very identity of the LPO. It also guarantees that the projects have strategic importance for the LPOs, and helps ensure that they are demand-driven.

4.9 The Nature and Role of Swedish Consultants

The Swedish consultants in the projects studied include organisations from the public sector, private consultants and a small number of NGOs. Table 4.8 presents a breakdown of these organisations. Although the figures do not allow firm conclusions to be drawn, there is an interesting difference between Sida-Öst and INEC-KTS in relation to the type of consultants to which they resort. Consultants connected with the public sector dominate in Sida-Öst, while private sector organisations appear more prevalent among the projects financed by INEC-KTS (of which Egypt appears an extreme case). One possible explanation for this difference may be with the need, which is likely to be stronger in the transition countries, to reorganise and reorient the activities of public sector organisations, which they can do best with the help of similar organisations in Sweden.

	Public	Semi-Public	NGO	Private
Lithuania	3	4	0	1
Ukraine	0	4	1	3
Sida-Öst	3	8	1	4
Mongolia	0	2	0	4
Bots/Moz	0	4	0	2
Egypt	0	0	1	7
Guatemala	1	1	0	1
INEC-KTS	1	7	1	14
TOTAL	4	15	2	18

As for the competence and performance of the Swedish consultants, the evidence gathered by this evaluation, primarily through the filter of LPO reported perceptions, is overwhelmingly positive. First, the Swedish consultants involved were perceived to be very competent in technical terms. This supports the contention made, in Sida’s *Contract Financed Technical Co-operation* (May 2000, p. 4, 9), that KTS co-operation focuses on areas in which Swedish experience and know-how are ‘competitive’.

Equally or even more important is the Swedish consultants' ability to adapt to the local context and build relationships with the clients – what could be described as their 'cultural competence'. As often mentioned appreciatively to the evaluators, the consultants do not try to impose their ideas, but inform the clients about possible solutions without advocating a particular, for example Swedish, model. Swedish consultants are generally seen by LPOs as strongly committed to their projects and to the LPO. They are both trusted and highly appreciated by the LPOs and by Sida, described as hardworking, committed, open, friendly and flexible. The relationship between the LPO and the Swedish consultant was often described as one of partnership. The good atmosphere surrounding the co-operation was frequently mentioned as an important factor of project success.

In the particular case of Egypt, for instance, where the local socio-economic and political context for co-operation is very complex, building on previous co-operation is regarded by several LPOs as a key factor of project success. To procure services of a new consultant is seen to imply unnecessary costs in terms of familiarising the new consultant with the project and its context. Also, the LPO's satisfaction with the past performance of the consultant is a major argument for continued co-operation with the same consultant. Tendering as a way of finding a consultant for a new project or phase is therefore generally regarded with little favour by the LPOs.

4.10 An Additional KTS Characteristic: Role of the Project Champion

In the majority of the projects studied, and despite the diversity of organisational arrangements, this evaluation has identified a *de jure* or *de facto* project manager who was a major driving force behind the project on the side of the LPO. This person, who has been designated 'the project champion', took the leadership in a process that was important not only for the project itself but also for the LPO, often providing a crucial link between the two. There were also indications, in some of these projects, of a rather authoritarian style of management by means of which project champions enlarged their own room for manoeuvre. Other organisational forms were also found³⁹, but in practice the project champion proved to be one of the most effective and convenient forms of project organisa-

³⁹ For example, in one case there was a project co-ordinating unit outside the actual LPO. This unit had externally recruited personnel who were highly motivated and in a sense owned the project. Yet, the ownership of and identification with the project by the LPO suffered because of that, with negative consequences for project sustainability.

tion. When present, the project champion invariably played a crucial role in achieving project success and, as will be discussed in Chapter 6, also in determining strong local ownership of the projects.

4.11 Concluding Remarks: KTS Characteristics in Practice

The evidence presented in the preceding sections reveals some regularities as to how the KTS characteristics are applied in practice. A first observation in this respect is that the characteristics differ in relation to the frequency with which they are found in practice. We could classify all the KTS characteristics discussed in the preceding sections into three distinct groups, namely those that: (i) are always present; (ii) are very frequent; and (iii) show greater variability⁴⁰.

Among the characteristics that are **always present** – and could thus be considered as definitional characteristics of KTS – we find the contractual arrangement, the exclusive use of Swedish consultants, and the focus on knowledge transfer and development. KTS is always technical cooperation involving Sida, Swedish consultants and LPOs in a special type of contractual arrangement.

The characteristics that are **very frequently** found in KTS projects include:

- *Little or no financing of equipment costs*: with one exception, this rule was respected in all the projects analysed⁴¹.
- *Demand-driven projects*: of the KTS characteristics that do not directly depend on a decision by Sida (such as e.g. the previous one), this is the one most frequently found. Possible explanations for this fact include the absence of a material component to KTS projects and a careful effort of Sida staff to filter out project proposals for which local demand is not assured.
- *Competent partners*: the vast majority of LPOs was found to have enough technical and organisational capacity to take advantage of

⁴⁰ In line with the cautionary remarks made in Section 2.2.2, we deliberately refrain from defining ranges for these categories. There may therefore be some marginal disagreement as to whether a KTS characteristic falls in one or the other of these categories. This evaluation considers it preferable to risk such disagreement than to provide the reader with an unwarranted illusion of rigour.

⁴¹ The exception was found in a project in Ukraine, where the LPO faced exceptionally straitened financial circumstances. However, both the project evidence reviewed and the discussions this evaluation had with Sida and LPO staff seem to indicate that this characteristic has the nature of a rule. Even in Guatemala, where the LPO of a particular project depends on Sida's material support for its continued functioning, that material support is given through another project, while the KTS project has no material component.

the knowledge transferred through the projects. This may be explained partly as a consequence of a deliberate effort of Sida, and sometimes also the Swedish consultants, to find competent partners and to reject proposals made by the less competent. At the same time, the organisation of many projects as sequences of short phases may also have played a role, allowing Sida to correct possible mistakes made in the selection of partners by simply not approving a further phase.

Finally, characteristics that show **greater variability** include:

- *Cost-sharing*: in relation to cost-sharing there is, as indicated in Section 4.6 above, a great diversity of situations, both within and between countries.
- *Limited involvement of Sida in project formulation and implementation*: again in relation to this characteristic there seems to be a diversity of situations, spread more or less evenly among the countries visited. This may be interpreted as indicating that the limited involvement of Sida is desirable but – depending on project specifics – may not always be possible. Of course, from the point of view of the other roles mentioned in Section 4.4, and particularly that of the principal to whom both LPO and consultant stand in the position of agents, the role of Sida is far less limited.
- *Limited projects*: from the point of view of limited project duration, variability seems to be the rule. Some of the projects examined were sharply limited in time, but most were not. The most frequent situation was that of relatively long-term projects organised in sequences of phases, each subjected to a separate approval, so that, formally, they could indeed be described as separate – and limited – projects. In a significant minority of other cases, projects had a longer duration. From the point of view of financial volume, the nature of the projects means that they do tend to be limited. When a project goes through several phases, however, its costs may add up to large financial volumes.

Turning to the question whether there are significant differences between INEC-KTS and Sida-Öst in how they apply the KTS characteristics in practice, the main differences seem to regard cost-sharing and limited projects.

Sida-Öst has more projects where cost-sharing is low, and fewer where it is high, than INEC-KTS does. This difference may, as indicated, be related to the specific situation of LPOs in transition countries which are relatively rich in human resources but poor, and sometimes extremely poor, in most other resources, especially finance. It might also be a func-

tion of the special instructions under which Sida-Öst works, particularly of strengthening the links – commercial and other – between Sweden and the Eastern European countries. Through these instructions, the acceptance, at least temporarily, of lower levels of cost-sharing may be acceptable if other conditions indicate potentially successful projects.

As to the question of limited projects, Sida-Öst's main stated reason for organising projects as sequences of relatively short phases is to cope with uncertainty, in relation to both the external and internal environment of the LPO. As such uncertainties decrease, Sida-Öst envisages the lengthening of the duration of each phase, say from 18 months to three years or longer. This indicates that, at least within Sida-Öst, the idea of limited projects is seen more as a practical matter related to the project environment than a matter of principle associated with decreasing aid dependence. In practice, however, most projects are still organised as sequences of short phases.

Overall, the differences between the ways in which Sida-Öst and INEC-KTS approach the use of KTS characteristics seem relatively small, reflecting their common origin and practices of these two Sida departments and possibly also continuing communication, at least informally, between them.



Chapter 5

Ownership in KTS Projects

5.1 General

Using the operationalisation of the concept of ownership discussed and presented in Chapter 3, the country evaluation teams assessed various aspects of local ownership in the projects under study. This information was included into matrices – one per country study – which provide a summary overview of ownership in the KTS projects studied in each country. These matrices, together with the relevant chapters in the six country study reports, constitute the main source of information and the point of departure for the analysis done in the present chapter. As in the case of Chapter 4, this chapter summarises the findings of the country reports. The reader is referred to those reports for the level of empirical detail that cannot be given here.

Findings on ownership are presented and analysed first, in Section 5.2. This is followed, in Section 5.3, by an interpretation of this information, and a discussion of the relations between different aspects of ownership as they are defined by this evaluation, and between them and project performance.

Whenever the projects examined were characterised by sequences of several phases, this evaluation only had access to information during the latest phase of each project. Thus the assessments of various aspects of ownership presented above reflect what this evaluation saw of the last phase in the sequence.

5.2 Local Ownership in KTS Projects

In Chapter 3, different aspects of ownership were defined, in association with different aspects of and activities within projects. To recall, these aspects concern (a) ownership of project *outputs*, both material and non-material, (b) ownership of project *objectives*, and (c) ownership of project *processes*, including particularly formulation and implementation.

As a general observation, the overall patterns of ownership found in different country studies (where the numbers are sufficient for such patterns to be meaningful) are broadly similar across individual countries.

5.2.1 Ownership of Knowledge Outputs

As Table 5.1 shows, ownership of the projects' knowledge outputs was high in an overwhelming majority of cases⁴². In other words, as projects of technical co-operation, focused on the development and transmission of knowledge, most KTS projects examined may be described as success stories. Thus, in terms of delivering the desired knowledge outputs, nearly all projects were highly successful. The few exceptions were related to the presence of Sida's own objectives, to complex local stakeholder arrangements and, in one case, to the collapse and disappearance of the LPO.

	Low	Medium	High
Lithuania	0	2	6
Ukraine	1	0	7
Sida-Öst	1	2	13
Mongolia	0	0	6
Bots/Moz	0	0	5
Egypt	0	0	6
Guatemala	0	0	3
INEC-KTS	0	0	20
TOTAL	1	2	33

5.2.2 Ownership of Objectives

Ownership of objectives was, again, high with only a few exceptions (see Table 5.2). Some of these exceptions, for example in Lithuania, Ukraine and Egypt, were related to situations where Sida's or the consultant's own objectives, e.g. gender equality in the form advocated by Sida, did not coincide with those of the LPO. In two other cases (Lithuania and Ukraine) it was not totally clear who was the LPO. In Lithuania, the assessment took into account the fact that, of the two local organisations involved in the project, the one that would normally be designated as the LPO did not show high ownership. In Ukraine, the working group that had been the LPO for a particular project ceased to exist due to broader political problems, leaving the project 'orphaned' in a situation where local ownership could only be characterised as low. In another project, the LPO was actually an organisation selected by the consultant for the purpose of implementing a project from which it did not benefit directly.

⁴² It must be noted that, although the ownership of knowledge outputs was defined in terms of incorporation of that knowledge into the LPO's normal practice, in a few cases the intended beneficiaries of this knowledge are not part of the LPO. This is typically the case of the project 'Implementation of new methods in Ukrainian agriculture', where the LPO is the *oblast* administration of Kherson, while the knowledge recipients are the farmers of a particular area in that *oblast's* territory. Clearly, in such a case it would be meaningless to characterise the local ownership of knowledge outputs as Low, just because the project beneficiaries do not belong to the LPO.

	Low	Medium	High
Lithuania	0	2	7
Ukraine	2	1	5
Sida-Öst	2	3	12
Mongolia	0	0	6
Bots/Moz	0	0	6
Egypt	0	1	7
Guatemala	0	0	3
INEC-KTS	0	1	22
TOTAL	2	4	34

The importance of owning the objectives is highlighted by the fact that, in the few cases where ownership of knowledge outputs was not high, ownership of objectives also tended not to be high. However, in other cases where Sida’s objectives were initially not strongly shared by the LPO, the final output was nevertheless strongly owned, indicating a change of attitude towards Sida’s objectives as articulated in their own context. No cases of low ownership of outputs were found where there was also high ownership of objectives.

The differences between INEC-KTS and Sida-Öst in relation to ownership of project objectives do not appear significant, given the number of projects involved.

5.2.3 Ownership of Project Formulation

Table 5.3 summarises the country teams’ assessments of local ownership of project formulation. As indicated, local ownership of formulation of the project proposal was mostly in the medium range with slightly more deviations towards the high than towards the low side.

In a number of projects where ownership of formulation was *low*, this was due to the acceptance by the LPO of aspects of another actor’s agenda, or to a more or less passive acceptance of a formulation done for it by the Swedish consultants.

When local ownership of formulation was assessed as *medium*, this was often because the LPO tended to rely on the Swedish consultant for important aspects of the actual formulation of the project, although at the same time the LPO recognised the need for the project and participated actively in the definition of its own needs.

In several cases where ownership of formulation was assessed as *high*, this was, by the LPOs’ own admission – confirmed by the consultants and Sida – frequently the result of a learning process, often one that took place in the course of a co-operation divided into several phases. In

Lithuania and Ukraine, but also Botswana and Guatemala, several LPOs had only a strong sense of need at the beginning of the co-operation, but not a very clear idea of how those needs could be satisfied, or even of what was possible to achieve. In these cases, contacts with Swedish consultants and participation in consultant-led processes of formulation played a key role in helping the LPOs master the art of proposal writing, as part of the larger craft of knowing what they want, and playing the market (including the aid market) for achieving their objectives. Interestingly, visits to Sweden in the early stages of the co-operation were often praised for stimulating the LPOs' ideas about a necessary project focus.

Table 5.3: Ownership of project formulation

	Low	Medium	High
Lithuania	0	5	3
Ukraine	3	1	4
Sida-Öst	3	6	7
Mongolia	2	2	2
Bots/Moz	0	4	2
Egypt	3	5	0
Guatemala	1	1	1
INEC-KTS	6	12	5
TOTAL	9	18	12

In general terms, it may therefore be concluded that the Swedish consultants often played a strong role at this stage of the project. This is hardly surprising, given the nature of the consultants' work and their special knowledge about Sida's requirements. KTS projects are also frequently based on similar projects implemented elsewhere with the Swedish consultants' help, and the consultants both make these known to potential LPOs and adapt them to new needs and conditions. In some cases, Sida itself asked the consultants to formulate projects, presumably because the LPOs had limited capacity to do so.

In addition to playing a strong role in formulation in the early stages of projects, Swedish consultants also support the learning processes that eventually lead to strong local ownership of project formulation. This is expressed in the fact that, in subsequent phases, it is often the LPO that takes the lead in the formulation process. Equally important, even when it is the consultants that take the lead in formulation, local ownership of objectives remains generally high. The first of these aspects was briefly discussed above. The second indicates that, in the formulation process, the consultants pay considerable attention to LPO needs and take great care to ensure both that the projects cater for those needs, and that the LPOs remain 'on board' throughout the process of formulation.

This attention of the Swedish consultants to LPO needs and involvement in the formulation process was frequently mentioned by the LPOs during interviews. At the same time, some LPOs were reluctant to acknowledge the strong role of Swedish consultants in this phase of the project cycle, almost as if they felt, at least in front of the evaluation team, that they should own it more completely than they actually did.

5.2.4 Ownership of Implementation: Co-ownership

Two aspects of ownership of the implementation process were distinguished in the country reports: (i) management of the relations with Sida, and (ii) management and monitoring of project implementation. As Table 5.4 indicates, the cases where the LPO took most responsibility for managing the relations with Sida, particularly through formal and informal communications, contacts and consultations, were relatively few.

	Low	Medium	High
Lithuania	1	7	0
Ukraine	4	4	0
Sida-Öst	5	11	0
Mongolia	2	3	1
Bots/Moz	0	3	2
Egypt	3	3	1
Guatemala	0	3	0
INEC-KTS	5	12	4
TOTAL	10	23	4

In most cases, LPOs reported that they shared this responsibility with the Swedish consultants, but in ten projects they indicated that the consultants took most responsibility for managing those relations. Yet relations between the LPO and Sida (and the Swedish Embassy) also existed in all cases. In most cases, LPOs declared themselves quite happy with the Swedish consultant's role in managing the relation with Sida. However, in one case where the LPO did not think the project was very successful, the perceived closeness of the relation between Sida and the Swedish consultant was seen as forming part of the problem. In three other cases in Ukraine, low ownership of management of the relation with Sida was associated with low ownership of management and monitoring of project implementation, and with the two only cases of less than high ownership of objectives. In two other cases, in Mongolia, low ownership of the relations with Sida did not translate into low ownership of project implementation. Overall, the less than dominant role of the LPO in managing this relation resulted in the 'medium' assessment of ownership, predominant for this aspect.

Ownership of project implementation could be thought to be the most important kind of ownership, since control over management and monitoring represents the possibility to take responsibility and initiative to ensure that implementation goes according to the agreed plan. One of the most interesting findings of this evaluation is that responsibility for implementation was largely shared between the Swedish consultant and the LPO (see Table 5.5)⁴³. Equally interesting is that most LPOs indicate that they value co-ownership in this non-exclusive sense more than a situation in which they would assume all such responsibility. They sometimes also saw Sida as an important part of this co-ownership, particularly in cases where the Sida officials in charge of KTS are seen as especially active and committed⁴⁴.

Table 5.5: Ownership of implementation: management and monitoring

	Low	Shared	High
Lithuania	2	6	0
Ukraine	4	4	0
Sida-Öst	6	10	0
Mongolia	0	6	0
Bots/Moz	0	4	1
Egypt	1	6	1
Guatemala	1	2	0
INEC-KTS	2	18	2
TOTAL	8	28	2

While ownership of project implementation varied between projects (and project stages), it was in most cases shared between the LPO and the consultant, and to some extent also with Sida. In these cases, the sense of co-ownership was based on trust and co-operation between the parties involved, so that common responsibility for implementation was seen as something more and better than exclusive ownership by the LPO. Indeed, this evaluation considers that the use of terms such as ‘partners’ and ‘partnership’ more adequately describes the existing or emerging relations between LPO and consultant.

⁴³ In this respect there was a broad covariance between this indicator and that for ownership of relations with Sida, indicating that, when the LPO and the consultant share responsibility for management, that extends to contacts with Sida; when responsibility for management is mainly the consultant’s, so does the responsibility for contacts with Sida tend to be.

⁴⁴ A typical example of such co-ownership is a situation where the consultant takes responsibility for co-ordinating activities on the Swedish side, the LPO is responsible for co-ordinating local activities and contacts, and each partner consults the other regularly. In other situations characterised by LPOs as shared responsibility for management, the consultant tended to do the larger part of the day-to-day management, but this was done in full agreement – and regular consultation – with the LPO. When Sida was also seen as a co-owner, its role was characterised more in terms of the agency’s advice and involvement in decisions at key points in the project’s life, good relations with the LPO and commitment – including personal commitment of the desk officer – to the project’s objectives.

5.2.5 Ownership of Evaluation and the Choice of Swedish Consultants

Although ownership of evaluation and ownership of the choice of Swedish consultants was not included in the tables produced by the country evaluations, some observations seem in order about these aspects of local ownership.

Two important questions that need to be answered with respect to the latter ownership issue are: (a) how was the choice of consultant made, and (b) what role did the LPO play in this choice?

In only a small minority of the examined projects was the *choice of Swedish consultant* done by means of a tender procedure. In some cases, there was only one Swedish organisation that could realistically play the role of consultant, and therefore no real choice existed⁴⁵. In other cases, the consultant and the client already knew each other, often as a consequence of having worked together in a previous project or phase. When this was the case, the LPO tended to insist on having the same consultant. Occasionally, the LPO and the consultant even collaborated in developing the project proposal, leading to a more or less automatic choice of the consultant. On other occasions, Sida identified the consultant and put it in contact with the LPO. In yet other cases, the consultant also played the main role in identifying and developing the project idea, and in looking for a suitable LPO with whom to propose the project to Sida.

The rarity of situations where consultants are chosen by tender procedures is changing, however. Currently approved or forthcoming phases of several projects will involve consultants selected by means of tendering, in which the LPOs are expected to play an important role.

As to the *extent to which the LPO played a role in the choice of consultants*, or even determined it, the evaluation's findings indicate that LPO influence was higher in cases when the LPO and the consultant knew each other than when there had been no previous contact. When the two had had previous contact, e.g. in a previous project or phase, the LPO most often pressed for the same consultant to be appointed, even to the extent of resisting the introduction of a tendering procedure⁴⁶. When, on the other hand, there was no previous acquaintance or co-operation between the two (as was common in tenders), the LPO often allowed itself to be guided by Sida or by short-term advisors appointed by the agency for this specific purpose. It should be noted that only in maybe a half-dozen cases, of the projects studied, was the consultant chosen by tendering. The most

⁴⁵ A few of these cases involve forms of so-called twinning, which are supported and stimulated by Sida.

⁴⁶ In Egypt, for instance, LPOs were very explicit about this, justifying it with the argument that, given the country's complex political and organisational context, building on previous co-operation is a major factor of project success.

common situation was the continuation of a previous phase, and even in several projects that were new there was no tendering.

It would not be legitimate to conclude from the rarity of tendering that LPOs necessarily feel powerless and excluded from the process of choosing the consultant. In fact the opposite is true. What determines the LPOs' influence in this choice is not primarily whether or not the choice is done through tendering procedures, but rather whether or not the LPO and the consultant already know each other⁴⁷. Also, even when they do not choose the consultants, LPOs still have some choice, since they can refuse certain of the experts assigned by the consultants to their projects⁴⁸.

With respect to *ownership of evaluation*, the situation is basically the same for all the projects examined. On the one hand, and as noted elsewhere, the LPO plays (or is supposed to play) an important role in project reporting, approving progress reports and co-authoring final reports. This is an important input into the evaluation process, particularly since these reports are often the main basis for Sida decisions on new phases. On the other hand, KTS project evaluations are commissioned by and for Sida alone inasmuch as the evaluators (be these Swedish or not) are selected by, and report to, Sida. There is therefore no significant local ownership of formal project *evaluation*⁴⁹.

5.3 Ownership Patterns in Projects

When analysing projects from the point of view of the relations between their various ownership aspects, two main patterns emerge. First, low ownership of processes, and particularly implementation, is normally associated with either low ownership of project objectives or with low capacity of the LPO. This seems logical: an LPO which is not strongly committed to a project is likely to assume little responsibility for project processes, and an LPO with relatively little organisational capacity will probably be forced to rely on the consultant for managing the project processes, regardless of its commitment to the project's objectives.

Secondly, in earlier stages of the project, particularly formulation, Swedish consultants often played a major role. During implementation, co-ownership develops, and at the end the final knowledge outputs is highly

⁴⁷ On the other hand, relations between LPOs and consultants are in general excellent, indicating that, *ex post*, the LPOs tend to be quite happy even with consultants not chosen by them.

⁴⁸ There was, for instance, one long-running project where the LPO indicated that it now wanted to choose the experts that the consultant was to deploy. In the very same case and in another, certain experts posted by the consultant were found unsuitable by the LPOs. In both cases, after the matter was discussed with the consultant, the experts were changed.

⁴⁹ In this respect, Sida differs from other donors, who see the LPO as a co-owner of the evaluation and normally include experts nominated by the LPO in their project evaluation missions.

owned by the LPO (or by the project's intended beneficiaries). However, as the exceptions show, this is not a sequence that projects must necessarily follow. Projects with low ownership in the implementation stage have also shown high ownership of the knowledge outputs. In general terms, there is no strong relationship between ownership of project process and ownership of knowledge outputs, though there seems to be a close one between ownership of objectives and ownership of knowledge outputs.

By the LPOs' own account, project sequences trace learning trajectories over which the local partners became progressively more capable of owning also the earlier stages of their projects. The country studies of this evaluation often showed the LPOs developing ownership over time, through the different phases of each project and through successive projects. Generally speaking, when viewed in the context of a project sequence, later projects tend to have higher local ownership also in their early phases. Again, in longer-term projects, the LPOs' increasing knowledge of the aid environment, growing level of professionalism, and increasing experience in managing consultants and formulating proposals tended over time to strengthen their ownership also of these aspects and phases. On the other hand, ownership of very short-term projects (e.g. feasibility studies without a clear follow-up) tended to be concentrated on the outputs.

5.4 Interpreting the Information on Ownership

Taken together, the assessments of ownership reviewed above indicate that most of the projects studied have achieved relatively high levels of local ownership of the various aspects mentioned. This was most obvious in the case of ownership of knowledge outputs and of project objectives, and rather less so in relation to the various project processes. There also seems to be no significant difference between Sida-Öst and INEC-KTS projects in relation to local ownership.

Coming now to the question of the relations between different aspects of ownership, and of how the observations and assessments presented above can be interpreted, we may start with a number of distinctions between the different kinds of ownership identified earlier and used in the present chapter.

Given that KTS projects are primarily about development and transmission of knowledge, local ownership of the knowledge outputs of these projects, as it was defined in Chapter 3, may be equated with project success. If, at the end of the project, the LPO or the envisaged beneficiaries own the knowledge, the project has achieved its main objective. There are three necessary conditions for this to happen. *First*, the LPO and any other individuals or organisations that will benefit from the knowledge

transfer must own the project's objectives. *Second*, they must be capable of benefiting from the knowledge transfer associated with the project⁵⁰. *Third*, someone must assume responsibility for the project processes (i.e. own them), so as to ensure that the project delivers the intended outputs – particularly transfer of knowledge – according to its design and plan. That someone may be the LPO, but it may also be someone else, such as another local organisation, or the consultant (or, of course, a combination of all these).

What this means is that, in order to be successful in terms of the transmission and development of knowledge, a KTS project requires local ownership of the project objectives (plus the local capacity to learn), but *not necessarily* local ownership of the project processes. The possibility exists that responsibility for (and thus ownership of) project processes, and particularly implementation, may be assumed by another organisation, for instance because of a lack of organisational capacity of the LPO. In other words, local ownership of project processes may not be essential for the objective of transmission and development of knowledge. Seen in this way, ownership of the objectives appears as the most important form of ownership for project success. This evaluation has indeed come across projects characterised by high local ownership of the objectives which was translated into ownership of the knowledge outputs despite the LPOs weaknesses in formulation and implementation, and the consequent limitations to ownership of these processes.

This is of course not to say that local ownership of project processes – i.e. the assumption by the LPO of responsibility for them – is not desirable. Indeed the acquisition by the LPO of the organisational capacity it needs to be able to assume responsibility for those processes – and thus to own them – is normally an important objective of the co-operation, even if on occasion it remains implicit⁵¹. Equally important, the evidence presented above indicates that this organisational capacity, and this ownership of processes, do grow in the course of the co-operation, and that the Swedish consultants play an important role in nurturing and developing them, precisely because of their position and role as *co-owners* of the projects.

⁵⁰ We are assuming, here, that the Swedish consultant is knowledgeable and capable of transmitting this knowledge to LPOs and other beneficiaries, provided that these are minimally competent.

⁵¹ In this respect, KTS projects are no different from other development co-operation projects – Sida's and other donors' – with significant capacity development components. Leaving aside training projects, capacity development frequently takes place in projects of co-operation with their own specific objectives, formulated in terms of substantive results rather than simply, or even predominantly, in terms of 'pure' capacity development.

Chapter 6

Relation between KTS Characteristics, Context and Ownership

6.1 Introduction

This chapter addresses one of the central questions for this evaluation, that of the relation between KTS characteristics and local ownership in a diversity of national contexts. Section 6.2 presents a simple model of the logic of interaction between KTS characteristics and ownership. This is followed, in Section 6.3, by an overview of KTS characteristics and their relations with local ownership. Section 6.4 then discusses the incentives facing consultants, LPOs and Sida, and their implications for local ownership and for the development of relations of partnership. This is followed, in Section 6.5, by a discussion of the influence of the context and the conditions of applicability of KTS in different national contexts. The final section (6.6) provides a summary and some conclusions.

In general, when evaluating an aid form such as KTS and trying to understand its relation to ownership, there is the danger of overemphasising the role of the aid form and ignoring other causal factors. There is often in the aid world a tendency for donors to think of their approach as the only results-oriented approach on the scene and to focus exclusively on that. This may lead to an imperfect understanding of the local context and to excessive claims for the preferred modality. Besides, pragmatic departures from norms may be as important in practice as the observance of those norms, as project contents may not always fit project forms exactly, and factors external to the aid may explain as much or more than internal factors. For all these reasons, it is best to be neither too pessimistic nor too optimistic about what can and what cannot be attributed to an aid form where the parties to it differ in interests, preferences, politics and resources.

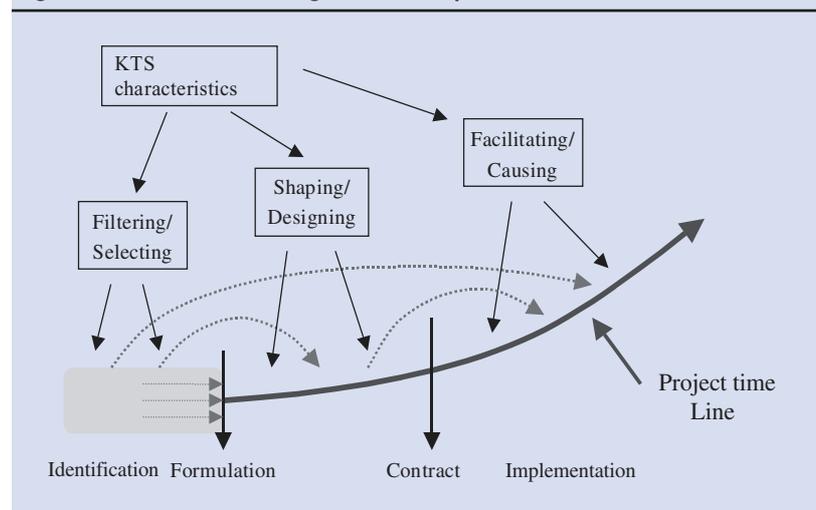
6.2 Selection, Design and Causation: the Logic

The relation between KTS characteristics and local ownership depends both on the characteristic and the stage of the project cycle that are being considered. Different characteristics play different roles, depending on the stage of the project cycle upon which they act. The influence of KTS characteristics on local ownership is also path-dependent, in the sense that the role played by a characteristic at some point in the project cycle is affected by the way in which the project has evolved until that point, i.e. by the project's past history.

Figure 6.1 below illustrates, in schematic form, the relation between KTS characteristics and local ownership. A distinction is made between different ways in which KTS characteristics influence ownership. For instance, even before project identification, the nature of the aid form – i.e. what Sida offers and what rules it applies – already determines the type of LPO likely to be involved and the nature of projects likely to be selected. This has been labelled 'filtering/selecting'. In turn, the nature of the organisation and project, once approved, will influence the development of the project at later stages.

For example, because of what is generally known in recipient countries about the nature and conditionality of KTS, only technical co-operation projects will be proposed to Sida. There is thus a filtering/self-selecting effect at work, even before a specific project is identified. The fact that only technical assistance projects are selected will in turn influence and affect possibilities of ownership of formulation, implementation and knowledge outputs.

Figure 6.1: Processes influencing local ownership



In the project design stage, further elements are added, often the specific focus on core competencies. Once designed into the project these elements, together with those from the pre-project identification stage, facilitate or cause ownership during the implementation stage. When Sida decides whether to fund the project, the selection of competent LPOs and demand-driven projects combines with the earlier-mentioned characteristics and influences the way the project is implemented and the extent to which knowledge outputs are appropriated.

Finally, there are factors in the project implementation stage itself, such as the role of the Swedish consultant and the presence in the LPO of a project champion, that directly facilitate and cause project ownership.

6.3 The Influence of KTS Characteristics upon Local Ownership

We can now focus on the extent to which KTS characteristics actually result in local ownership. We shall deal with these characteristics one by one. Before that, however, it is important to point out that, because KTS characteristics are not applied in isolation, several if not most of them are present at the same time. This gives rise to a problem of attribution that, in theory, could only be solved by means of an elaborate statistical procedure on a much larger sample of projects than the one examined in this evaluation⁵². The simultaneous presence of several KTS characteristics in each of the projects examined means that what we can conclude about the influence of each of them on local ownership is always tentative and uncertain, even taking into account the fieldwork results and the findings of this study.

Content of the Co-operation

The content of KTS projects (technical co-operation only, with little or no material support) plays an important role in **selecting** LPOs that are motivated by a genuine interest in the knowledge that is the main if not the only benefit that they will be able to get out of the project. This characteristic works even before any contacts between Sida and potential LPOs, since it will help **filter out** those LPOs for whom substantial material support is important, and who would get involved in projects for the sake of material support rather than knowledge. Sida facilitates this self-selection by spreading information about the largely non-material orientation of KTS among potential LPOs. This characteristic has an impact especially on ownership of objectives and of knowledge outputs.

⁵² Such an exercise would in practice be very difficult to carry out. Besides, even if it were practicable, its results would still not be totally reliable, given the impossibility, in real-life projects, to eliminate or compensate for the effects of external factors in a completely satisfactory way.

Contract

In no country study did the power that the contract is supposed to give the LPO appear as a salient feature of the examined projects. Contracts are not specific to KTS projects. Rather, they are normal practice in the aid world. LPOs did not perceive the contract as a source of empowerment *vis-à-vis* the Swedish consultant (see Sections 2.3.4 and 4.3).

However, the contract was found to be an important factor of local ownership in two ways. First, the ToR associated with the contract did play a role in defining the functions and roles of each partner, and therefore helped avoid conflicts that might have had potentially damaging effects on local ownership⁵³. Second and more important, the contractual arrangement, closely associated with the practice of organising projects as sequences of relatively short phases, where the approval of each phase depends on the success in the preceding one, created strong incentives for good performance for both LPO and consultant. This incentive system is an important factor of project success and local ownership (see Sections 4.4 and 6.4.1).

Sida's Role

The inclusion of certain aspects of Sida's agenda in KTS projects, even when the LPO does not consider them important (see Section 4.4), has a **potentially negative effect** on local ownership of objectives. However, in the few cases where such inclusion was found, ownership was rarely undermined. This is due to the relatively 'soft' approach generally adopted by Sida in this respect, including openness to dialogue and considerable common sense, as well as to Sida's reliance on the Swedish consultants to 'sell' its agenda to the LPO. In fact, despite earlier reservations, the LPOs eventually came to share Sida's views and objectives⁵⁴.

A second aspect of Sida's role – keeping a hands-off approach to the implementation of KTS projects – seems to be a consequence rather than a cause of local ownership and problem-free projects. Sida officers tend to adopt a hands-off approach whenever projects function well, but to get involved when there are problems. To the extent that they help solving these problems, their impact on local ownership is positive rather than negative, as is the effect of their commitment to the projects' objectives, or what is elsewhere in this report referred to as **co-ownership**.

⁵³ This is not a special feature of KTS, however, since it also happens in other well-designed contracts, where roles, rights and obligations are clearly defined.

⁵⁴ This aspect plays a role mainly before and during project formulation. By advertising its own priorities Sida creates the possibility of some self-selection by potential LPOs, which probably helps minimise problems later on in the project cycle.

Finally, Sida's role as principal, and particularly the possibility of not supporting further phases of a project if performance in the current phase is not satisfactory, creates incentives for the LPO to ensure that the project performs well, among other ways by assuming responsibility for implementation. This **stimulates** the LPO's ownership of implementation.

Demand-Driven Projects

This KTS characteristic has a clear positive relationship with local ownership, particularly of objectives, where the influence is direct and obvious. Through its influence over the ownership of objectives, it also affects other aspects of local ownership. The effect is one of **selecting** projects where the LPO is likely to have strong ownership of the objectives. This selection is explicitly made by Sida, mainly before and during project approval. The strong focus of many KTS projects on the core competencies of the LPOs ensures that the objectives are owned almost by definition, and favours ownership of the project's knowledge outputs.

Cost-Sharing

The rationale of cost-sharing as presented by Sida is again one of **selection**. The application of this KTS characteristic is expected to select LPOs whose 'willingness to pay' for a significant portion of a project's costs indicates a commitment to the project and ownership of its objectives. This evaluation has, however, found that the relation of cost-sharing to local ownership was not clear or strong at all. The considerable variation found in cost-sharing – which had more to do with LPOs' capacity, rather than its willingness, to pay – was not reflected in similar variations in ownership, especially of objectives. Furthermore, when questioned about this, only in a few cases did the LPOs acknowledge that cost-sharing played a positive role, e.g. by inducing in them a more critical attitude towards Swedish consultants and more careful scrutiny of project costs (ownership of processes and knowledge outputs). Others simply dismissed it as an inconvenient and not especially meaningful part of the conditionality of KTS, or had no opinion.

While cost-sharing seems to have little effect on local ownership, it has some negative consequences, both for LPOs – who may not be considered if they do not have adequate resources, even if they are committed and competent – and for Sida, which in this way 'misses' potentially successful assistance. This may explain why this characteristic is interpreted and applied with so much flexibility.

Limited Projects

The limited size and scope of KTS projects mean that they remain quite simple, with clear objectives and straightforward criteria for success. This **facilitates** strong local ownership of objectives as well as processes. It

also facilitates project success, which in itself stimulates ownership. We have already seen how the limited duration of KTS project phases, combined with the possibility of reward or punishment at the end of each phase, creates incentives for good performance and strong ownership (see also Section 6.4.1).

Competent Partners

The characteristic ‘competent partners’ was subdivided for the purposes of this evaluation into ‘technically competent’ and ‘organisationally capable’, and interpreted in relation to the challenges posed by the project in terms of learning and implementation. Technical competence is a necessary condition for local ownership of knowledge outputs⁵⁵. Similarly, organisational capacity is a necessary condition for local ownership of the processes of formulation and especially implementation of the project. These characteristics are used by Sida to **select** local partners with whom to co-operate in KTS projects. This selection is often made on the basis of the LPOs’ potential, rather than actual, competence however.

Given the importance of LPO competence, it is not surprising that LPOs are so often *professional organisations* (as defined in Section 4.8). Professional organisations usually share competence standards with other professional organisations such as the Swedish consultants, or Sida itself, and are correspondingly easier to assess in competence terms than other, non-professional, organisations, thus facilitating Sida’s selection.

Project Champion

Even professional organisations need leadership, and that is what the project champion provides. The project champion is normally someone within the LPO who identifies with the project objectives at an early stage and is in a position to further project interests. By embodying project ownership and providing leadership to the project, the project champion provides a link between project and LPO and **facilitates** local ownership, particularly of processes such as formulation and implementation.

Swedish Consultants

As indicated in Section 4.9, most of the Swedish consultants involved in the KTS projects examined by this evaluation are competent or very competent, both technically and in terms of being able to adapt to the local context and build up good relations with LPOs. These characteristics, reinforced by the incentive system discussed in Section 6.4.1 below, mean that Swedish consultants have a very positive impact on local own-

⁵⁵ When, as happens in some of the projects examined, the LPO is not the target or the main beneficiary of the knowledge transfer, technical competence is required not so much of the LPO as of the target group for the knowledge transfer.

ership. The Swedish consultants' non-dogmatic approach, and their respect for clients' decisions, have done much to strengthen relations, ensure strong local ownership, facilitate project success and develop mutual respect and confidence, as well as a sense of a common endeavour with shared objectives. Shared responsibility for, or co-ownership of, implementation strengthens rather than weakens the LPOs' sense of ownership of their projects, and particularly of project objectives and implementation. Through this co-ownership, and through the training and transfer of knowledge that is central to most KTS projects, Swedish consultants thus **stimulate and support** the LPOs' ownership of project objectives, processes and knowledge outputs.

This role of the Swedish consultants and more generally the close relation between the LPO, the Swedish consultant and Sida, each motivated by their own incentives towards achieving project success, are analysed in the following section.

6.4 Ownership, Incentives and Partnership

6.4.1 Ownership and Incentives

As established in Chapter 5, ownership of KTS projects seems to follow broadly similar patterns across different local contexts. When analysed from the point of view of different stakeholders, ownership of projects may be interpreted as co-ownership, particularly when projects are successful. This, in turn, raises some interesting questions concerning the relation between ownership and partnership, and related incentives structures.

The complete list of stakeholders in development projects can be long, and the network of relations between them correspondingly complicated. The three main stakeholders in a KTS project are the LPO, the Swedish consultant and Sida. For most projects, this is enough to understand the important processes at work, although occasionally the stakeholder situation is more complex⁵⁶.

Of these three stakeholder groups, the Swedish consultants played the least expected role in terms of their involvement in virtually all aspects of the projects, their attention to the LPOs' needs, their commitment to project success and their developmental role in stimulating and supporting LPO ownership. As all country reports show, Swedish consultants

⁵⁶ It may, for example, involve more than one consultant, the presence of subcontracting arrangements, Sida's co-operation with UNDP or the World Bank (for instance through the creation of trust funds), or the presence of other important actors – in addition to the LPO – in the recipient country. Each of these situations, found in the field, naturally gave rise to further complexities.

*Regional Planning
project in Egypt.
Photo: Nils
Kellgren*



also often play a strong role in articulating the project idea, formulating and writing the proposal, handling relations with Sida, implementing and managing the project and facilitating the LPO's use of knowledge outputs. In other words, the initiative, dedication and expertise of the Swedish consultants are decisive in the whole process.

Unexpected as this role may have been, it can readily be understood when analysing the incentives at work. The Swedish consultant has a strong financial incentive to achieve project success. Although some do not, many Swedish consultants depend heavily on continuity in the stream of Sida assignments. Swedish consultants are active in searching for potential projects (a) through the organisation of Sweden-based training for actual or potential LPOs, coupled with follow-ups for further project ideas and proposals, (b) through other contacts in the field, and (c) through project extensions, building on previous projects and on their relations with LPOs. The possibility to extend the co-operation with the LPO to future projects provides incentives for the Swedish consultant to show good results to Sida and also to be appreciated as a good partner by the LPO.

As for the LPO's ownership of the project, the major incentive at work for most LPOs is the possibility of improving their technical knowledge and administrative competence, often in core areas of their organisation. As shown in Chapter 5, ownership of objectives and of output was almost invariably high. The technical assistance focus of the KTS projects, and

the absence of material support, mean that knowledge is all that the LPO can expect of a KTS project. Also, this evaluation found no evidence of individual incentives conflicting with organisational interests. Short trips to the head offices of the Swedish consultants or Sida may act as individual incentives, as may the possibility of training abroad. However, these incentives may be fully in line with what the organisation needs. In any case, individual incentives are a small proportion of the total effort spent in KTS projects.

Finally, incentives for Sida to achieve project success are also high. KTS projects form an important part of Sida's portfolio of activities. In this respect, the agency has the responsibility to spend taxpayers' money in an effective and efficient manner. More importantly, and as became clear in our interviews, most Sida staff are highly motivated professionals, strongly committed to development objectives and to project success.

Complications may arise when Sida's priorities enter as conditionalities in project procedures and design. Project success may then be perceived differently by Sida and by the LPO. However, especially when projects are effective and successful, the incentive structures for each of these stakeholders cohere, particularly where transaction costs minimisation arguments favour continuing relations between LPO, Swedish consultant, and Sida, and where the Swedish consultant depends on Sida for further contracts. Interests are shared at the level of project success, and are complementary and non-competing in relation to specific rewards, such as monetary rewards and professional achievement for the Swedish consultant, increased competence and institutional strengthening for the LPO, and recognition of professionalism and quality in aid management, effectiveness and efficiency for Sida.

Within the triangle of relations formed by the LPO, Sida and the Swedish consultant, the possibility of diametrically opposed interests arising is likely only when projects succeed only partly (as in some cases) or fail completely (extremely rare), and triangles of blame are set in motion by defensive behaviour⁵⁷. In such cases, blame often tends to be shifted to others rather than co-owned. Perhaps the realisation of this danger has led Sida, Swedish consultants and LPOs alike to favour clearly defined projects, limited in size, duration and scope, which in turn makes it possible to identify clear decision moments for continuation depending on success.

⁵⁷ The case, mentioned above, of Sida's agenda finding its way into KTS projects without the LPO's support cannot be described as one of diametrically opposed interests, but only – and much more mildly – one of conflicting priorities.

6.4.2 Co-Ownership and Partnership

If the co-operation is given sufficient time, these overlapping and complementary incentive structures prepare the scene for the possible emergence, over time, of genuine partnerships. Partnerships are much more than long-term co-operations, based on incentive structures that lead organisations and individuals in common directions. They are characterised by mutual openness and transparency about values and interests, a long term perspective on the relationship, goal orientation and focus on outputs rather than on detailed conditions for the co-operation, and mutual appreciation and respect (Gustafsson, 1999, page 5).

This evaluation considers that the partnerships between LPOs and Swedish consultants that it observed in various stages of development are largely due to the influence of the incentive structure described above, working over a sequence of projects, to the careful selection of partners and projects, and to the commitment and quality of the Swedish consultants and Sida staff and indeed also of the LPOs. It is also likely that the long-term association between Sida and Swedish consultants favours the development of genuine partnerships between the consultants and LPOs. That association, with its many positive characteristics, is itself the product of years of working together in pursuit of common, or at least complementary, objectives. It may also play a role in helping many of the same positive characteristics to develop in the co-operation between LPOs and consultants. An awareness of the importance of this long-term association may be one of the reasons why certain desk officers interviewed by this evaluation expressed considerable reluctance to use non-Swedish consultants in KTS projects. Indeed, such use would decrease the likelihood of close and long-term associations, for two reasons: (a) the pool of consultants would be much larger, making it less likely on average for any one consultant to be selected for several projects; and (b) for the consultants in that larger pool, the relative importance of Sida as a donor, and of maintaining good relations with Sida, would be correspondingly smaller.

Whatever the causes, this evaluation has repeatedly observed behaviours and attitudes that indicate the development of genuine partnerships, including openness about own interests and values, mutual appreciation between individuals, shared pride in common achievements and strong sense of shared interests typical of such relations. That this happens despite the contradictions and inequalities inherent in development co-operation, such as those of donor versus receiver, of competent versus less competent, or strong versus weak, is a considerable achievement of all parties involved.

⁵⁸ The HDI is just one indicator among many possible ones; another would be for instance the degree to which state and civil society are mutually supportive.

6.5 Adapting KTS Characteristics to Context

As already observed, KTS projects are applied in a considerable diversity of contexts. KTS characteristics are also applied differently depending on context. This makes it very difficult to isolate the influence of context upon local ownership in KTS projects. For the purpose of discussing context in relation with local ownership, four variables are identified as main elements of the context:

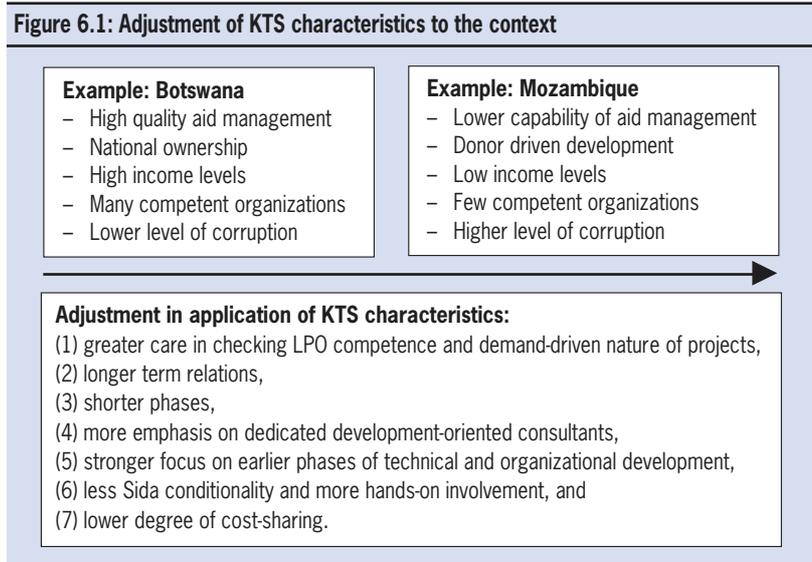
- The general level of socio-economic development of each country, as measured for instance by the Human Development Index⁵⁸.
- The general level of institutional development.
- The capacity of the national planning system to cope with donor initiatives, and the degree to which individual LPOs perceive co-operation as part of the national context, as opposed to a special relation they themselves can enter into with the donor.
- The strength of incentives against rent-seeking or corrupt behaviour in private sector and government organisations.

Broadly, the higher each of these variables, the less risky the environment for KTS projects, and therefore the easier it will be to achieve strong local ownership and project success⁵⁹.

The particular local context in which projects are identified, formulated, approved and implemented is likely to influence the way in which KTS characteristics are used in each project. The example in Figure 6.1 below, which is inspired by the differences in context between Botswana and Mozambique, may be used to illustrate this point. For a number of reasons, the four contextual variables mentioned above have lower values for Mozambique than for Botswana. Mozambique can therefore be considered a more risky environment for project interventions. This implies that, in order to achieve local ownership and project success, corresponding adjustments must be made in applying KTS characteristics. Such adjustments would compensate for the less favourable environment described in the right-hand box in Figure 6.1 and thereby help ensure success and strong ownership of KTS projects in that environment. Basically, they imply laying greater emphasis on those KTS characteristics that play a special role in influencing success and ownership, as is indicated in the lower box in the figure.

⁵⁹ It should be pointed out here that these aspects or variables are not independent of each other; in fact there is a significant degree of covariance among all of them.

Clearly, it is impossible to measure or even rank all countries studied on one and the same scale, not least given that the contextual variables mentioned relate to several dimensions of development, each with its own specific meaning within the historical context of the respective country.



6.6 Summary

This chapter has shown that the relation between KTS characteristics and ownership takes on different meanings depending on the specific characteristic and on the stage of the project cycle considered, in a way that may be described as ‘path-dependent’.

The conclusions reached by this evaluation concerning the effects on local ownership of different KTS characteristics were then presented in some detail. Most KTS characteristics influence local ownership and project success in similar directions, and may therefore be described as showing some redundancy. While a certain degree of redundancy in KTS characteristics used is important in risky environments, the individual importance of the role played by each is thereby reduced.

The national context of KTS projects was then analysed in terms of four variables that characterise the risks facing the projects, and the ways in which KTS characteristics may be used to compensate for greater contextual risk discussed. An important conclusion is that KTS characteristics are, and need to be, applied more carefully in riskier and less developed project environments, characterised by lower values of the four variables introduced above.

Chapter 7

Concluding Remarks and Recommendations

7.1 Introduction

This chapter reviews and discusses the significance of the main findings of the evaluation.

Section 7.2 presents and briefly discusses key findings concerning ownership in KTS projects, the application of KTS characteristics and the relations between KTS, context and ownership. Section 7.3 then deals with the identity of KTS, and attempts to put forward a definition of KTS that takes into account practical as well as theoretical perspectives. Section 7.4 closes the chapter with some other recommendations.

7.2 A discussion of the Main Findings of this Evaluation

7.2.1 Local Ownership and Co-ownership in KTS Projects

A first main finding of this evaluation is that a substantial majority of the projects studied have achieved rather high levels of local ownership. Ownership of knowledge outputs was very high, indicating that, by the criterion of knowledge transmission and knowledge development, most of the projects studied may be characterised as successful or even very successful. Ownership of objectives was also very high, indicating a strong commitment to project objectives on the part of the LPOs.

Ownership of project processes, both formulation and implementation, tended to be shared with the Swedish consultants and, sometimes, also Sida. LPOs value such shared responsibility more highly than assuming exclusive responsibility for project processes, as a sign and a consequence of good co-operation with the consultant. That has led this evaluation to introduce the term *co-ownership*, to characterise such situations of shared ownership.

Once the term is introduced and accepted, it soon becomes obvious that co-ownership can exist not only in relation to project processes, but also in relation to project objectives and to knowledge outputs.

With such co-ownership, a different picture of a KTS project begins to emerge: one where two organisations, each with its own motivations, are brought together by Sida financing and by a particular set of incentives to achieve certain common objectives. At the outset of this co-operation the two parties' ownership of the knowledge that is the object of the co-operation is very different, as may also be their technical and organisational capacity. Through their co-ownership of the objectives, the parties become co-owners of the project processes, with the responsibility that each takes for those processes being a function of their capacity.

As the project continues, the LPO's knowledge and organisational capacity increases, and so does its assumption of responsibility for the project processes, particularly formulation and implementation. If the project is long enough, a genuine partnership may (and often does) develop between the two organisations. In this partnership, each partner does what it can do best to achieve the common goals. At the end of the project, the LPO becomes the owner of a body of knowledge, acquired with the Swedish consultant's help, that acquisition being one of the project's main objectives. In several cases the relation is expected to continue through longer-term arrangements such as twinning, while in others it ends with the project, but may also be prolonged into other projects.

7.2.2 KTS Characteristics, the Context and Ownership

For the 'chemistry' described above to function, certain conditions must be fulfilled. This is largely achieved by the application of the KTS characteristics, an application which needs to be flexible in order to take into account (and in some cases compensate for) the context and the diversity of situations that may arise. Sida applies the KTS characteristics flexibly and pragmatically, paying attention to both the broad context and the specific situation of the LPO, not mechanistically and legalistically. Indeed Sida insists that these are just 'characteristics', not rules to be accountably adhered to, nor principles to be applied rigidly. KTS is defined only by itself and its practice. However, not all its characteristics need to be applied in a particular project for it to count, in Sida's eyes, as KTS.

Both Sida and this evaluation capture part of the elusive quality of this quarry by speaking of KTS as made up not of rules, but at best guidelines or ideal requisites, not to be theorised about too much, just applied wherever practicable, not necessarily all to be applied at once, and so forth. That neither the LPO nor the Swedish Consultant may see this in the

same way is, of course, another finding of this evaluation. The triangle of relations that is at the heart of KTS is made up of very different interests and perspectives as well as shared results-oriented values.

How, then, do the KTS characteristics work? The **restriction of KTS to technical assistance** (with no significant material assistance) removes a potential source of distraction, allowing the co-operation to focus on knowledge development and transmission from the outset. The insistence on **demand-driven projects**, not just in the formal sense but in the sense that these are projects that satisfy a strategic need of the LPO (e.g. by focusing on the LPO's core competencies), ensures that the LPO owns the project objectives from early on, which is a necessary condition for the project to function well. **Cost-sharing** is often imposed as a condition to make sure that the LPO does own the project's objectives and wants the knowledge concerned enough to be willing to pay for it (but as we have seen, cost-sharing does not always work very well). The LPO must also be **competent** enough to be able to acquire the technical knowledge that is at the focus of the co-operation, and to be able to assume and exercise some responsibility for the project. Thus, more often than not, the LPO is a **professional organisation** and places a **project champion** in charge of the project. The LPO's capabilities tend to grow as the project proceeds; but if they are too low at the beginning, the project risks to fail, and financing will probably be refused.

Another requirement concerns the consultant's know-how, commitment, skills and motivation. **Swedish consultants** are well known to Sida in terms of competence, commitment and skills. They have often worked with the agency before, and sometimes they depend on continued co-operation with Sida. The LPO, the consultant and Sida then enter into a **contractual relation** that, together with the organisation of the project into **limited phases**, both minimises Sida's risk and creates incentives for ownership and good performance, which ultimately translate into high ownership of knowledge outputs by the LPO or by the intended beneficiaries, who sometimes are a different target group.

The evaluation found that the KTS characteristics are also applied flexibly, adapted to concrete situations. For instance, competent and committed LPOs that have very few financial resources may have the cost-sharing requirement waived or drastically reduced. Riskier contexts or more problematic situations require the characteristics to be used so as to minimise risk, or protect the project (and Sida) against it. Shorter project phases, greater involvement of Sida, greater emphasis on demand-driven projects and competent LPOs, choice of Swedish consultants with a specially strong development orientation and a greater emphasis on learning and organisation development are some of the ways in which this may be achieved. In this way, and provided certain minimum conditions are met,

it may not be so much a question of *whether* but *how* KTS can be used in certain contexts that differ significantly from the 'usual' ones.

7.2.3 Redundancy of National Context as a Categorical Factor

The Botswana and Mozambique country study finds the different national context of Mozambique, as compared with Botswana, as largely irrelevant for the findings concerning the single project studied, despite the fact that competent organisations are few in Mozambique, definitely fewer than in Botswana. The Guatemala study also reports on the relative independence of its findings from national context.

In contrast, the Egypt study reports the penetration of the influence of the national context through and through. This divergence is, however, partly definitional. The latter study puts a heavy emphasis on defining 'national context' to include the way in which the world of foreign aid is integrated into it (in LPO perspectives). Interestingly, despite what is said about Egypt being a country spoiled for choice in terms of availability of aid, this sense of power is not felt at the project level. For example, cost-sharing is on the whole accepted as a conditionality despite the presumed possibility of approaching other donors who do not apply it, or who apply it differently.

Further, given that non-KTS forms of aid as well as KTS are applied in the same countries with the same 'national contexts', the way in which Sida takes the national and local context (and competence) into account could be summarised as follows. Taking into account means and ends, on the one hand, and relevant and strategic circumstances, on the other, the Sida officials concerned interpret and apply KTS characteristics according to what they regard as overriding circumstances, good practice, and their best judgement. Contextually, immediate situations are perceived by Sida to matter more than broad structures, when Sida decides to approve KTS projects.

To put this same point in another way, for Sida a 'suitable country' (for KTS) is to some extent subsumed under a 'competent LPO'. In other words, the key question appears to be, not whether a country is more or less suitable, but whether in that particular national context there is a competent LPO. If such an LPO does exist, the practical importance of the national context decreases. Demand-driven and competent LPOs then become more important than the national context and its suitability. This point is further developed, within a broader policy framework, in Section 7.4.4.

7.3 What KTS is

7.3.1 General

Coming, now, to the question in the ToR concerning ‘what KTS is’, the evidence reviewed so far seems to allow this evaluation to provide the elements of an answer. Needless to say, at this stage of the evaluation any discussion of ‘what KTS is’ is also a discussion of ‘what KTS should be’. In other words, there is in this matter of definitions an unavoidable normative element. Before discussing a definition of KTS, however, it is interesting to present some of the – largely compatible, but extremely diverse – views that we have found in interviews and documentary analysis.

7.3.2 The Nature of KTS: Divergent Perspectives

Interviews with concerned staff at Sida and the analysis of available documents suggested that there was considerable ambiguity surrounding the KTS concept. This impression was reinforced when, in the early stages of the work, the evaluators asked Sida personnel and a few consultants to characterise KTS. The result was a surprisingly large number of characterisations, which include the following, presented in no particular order:

- Just a tool to go about our work in certain countries.
- A philosophy of development to be further elaborated.
- Nothing special, normal procedure only.
- A legal arrangement designed to clarify ownership through a clear division of responsibilities between the Sida and its co-operation partners.
- A way to process efficiently a large volume of financial support.
- A budget line and source of finance that keeps certain consultants in business.
- A form of co-operation related to participation through its emphasis on ownership.
- A way to prepare partner organisations to work in market situations.
- A form of development co-operation that facilitates exit and transition to business and non-subsidised co-operation between countries.
- A form of co-operation that relies on competent partners.
- A form of non-programme support, focused on small projects.

Without being contradictory, these views are nevertheless remarkable for their diversity, and highlight one of the main findings of this evaluation,

that even within the donor there is on the whole little clarity or consensus about precisely what, above all else, KTS should mean, do and achieve⁶⁰.

This diversity of perspectives about KTS is also found outside Sida. To summarise in a rather crude way, we might say that while Sida at some levels attaches as much significance to the process of co-operation as to its outcome, both LPOs and consultants regard the outcome as the main focus of co-operation. This LPO and consultant perspective is only encouraged where it is perceived that, despite its discourse of partnership and local ownership, Sida appears less interested in building lasting international relations as a principal objective of KTS (twinning perhaps has such ambition) than in undertaking honourably limited technical assistance.

This evaluation felt no need to resolve ambiguities by seeking to define KTS in a way that would be both exhaustive and exclusive, i.e. that would aim to cover all KTS projects, and only those. Such an essentialist approach was unlikely to be of much use either to this evaluation or to Sida. Instead, and better to understand the variations and ambiguities, but also the richness of the concept, we have opted for the simple definition given in the ToR as a point of departure for an in-depth discussion of the KTS characteristics.

7.3.3 INEC and Sida-Öst: Differences and Similarities

The analysis presented in Chapter 5 above shows some differences between Sida-Öst and INEC-KTS in relation to the way in which the KTS characteristics are applied in practice. The main differences concern the prevalence and relative importance of cost-sharing (greater in INEC-KTS projects), Sida's limited role and the percentage of projects limited in time (again, more frequent in INEC-KTS than in Sida-Öst projects).

The practical differences between the two Sida departments are, however, not large. They tend, perhaps, to have more to do with differences in the context within which KTS is applied than to any essential divergence between the two departments. In fact, and interestingly enough, in practice there seem to be fewer differences between Sida-Öst and INEC-KTS than this evaluation was led to believe would be the case, on the basis of discussions with staff from both departments. This evaluation has found people in both departments that apply KTS with a similar mixture of flexibility, a commitment to the recipient country's development and a

⁶⁰ Some possible KTS aims include: LPO efficiency in achieving project outcomes, Sida's policy of partnership and local ownership, cost-effective administration by Sida of its volume of aid, the marketing for export and purchase overseas of Swedish expertise, and geo-political solidarity where for example Sweden is vulnerable to environmental or political or economic fallout or collapse in its neighbouring or otherwise closely associated countries.

clear-headed focus on achieving results in the short- and medium-term. The people who deal with KTS in practice seem to adopt very similar approaches, influenced more by their result-orientation and by what we could call the ‘logic of the situation’, than by any preconception of what a KTS project should, let alone must, look like.

7.3.4 A Definition of KTS

We favour a minimalist rather than an essentialist definition of KTS. Perhaps the most important advantage of KTS is its flexibility. It was that flexibility that allowed KTS to evolve from its original form (see Section 2.2) and continues to allow it to be applied, with remarkable success, including, but not reducible to, high levels of local ownership, in a large number of very different national and organisational contexts. That being the case, we must beware of defining away precisely the flexibility that constitutes the main asset of KTS. For that reason, the best definition may be the shortest. This is also likely to be the one most compatible with all the variations we have examined.

In this way, *KTS may be defined as a form of co-operation characterised by:*

- *its content: technical co-operation with no significant material assistance;*
- *competent LPOs (relatively to the tasks facing them);*
- *demand-driven projects⁶¹;*
- *the arrangements that create strong incentives for success and ownership: the contract, the use of Swedish consultants, the organisation of projects in short phases, where the approval of a phase depends on success in the previous one, and the consequent role of Sida; and*
- *a number of other characteristics, the application of which is above all flexible and adapted to the context and situation of the LPO.*

These appear as the core requirements for KTS to continue to work as well as it has. The contractual form may be more a matter of convenience for Sida, and of efficiency in the disbursement of aid, than of necessity for the co-operation⁶². This does not mean that it is not useful, or that it should be changed. The contractual arrangement may also play a useful role in impressing upon all parties – and especially the Swedish ones – the need to find a competent LPO, capable of identifying its needs and wants, and of taking full advantage of the project.

To indicate what should form part of the definition of KTS is also, by implication, to indicate what, in this evaluation’s view, should not.

⁶¹ In the sense that they address a strategic need of the LPO or are directed at increasing the LPO’s core competencies (and these are, of course, not contradictory).

⁶² This is not to say, of course, that *some* contract, together with clear definition of objectives, roles and obligations, is not necessary.

Among the characteristics that should not be seen as a part of the definition of KTS are the following:

- Sida's limited role: as we have seen, Sida's role is always that of a principal, and often a great deal more than that. As we have seen, even the idea of a 'hands-off' approach on Sida's part cannot always be justified.
- Limited projects: this characteristic needs to be redefined, away from the idea that KTS projects are basically short-term (though a few may be) and towards a recognition of the dual need to have long projects, essential for capacity development, divided into relatively short phases in order to facilitate evaluation, minimise risk and create the right incentives. Such a redefinition would simply bring the definition in line with current – and successful – practice. Greater emphasis should also be laid on limited scope, and the associated possibility of having clearly focused projects.
- Cost-sharing needs to be downgraded to the status of a desirable but, if other requirements are met, dispensable characteristic. It also needs to be explicitly characterised in relative rather than in absolute terms – relative, primarily, to the LPO's ability to pay.

Finally, an essential part of the flexibility of application that is included in the definition is to accept some variation in relation to the requirements mentioned above, as well as other KTS characteristics, depending on the local context within which KTS is implemented. This variation may affect for instance:

- the competence of the LPO, beyond an irreducible minimum, necessary for the co-operation at least to start: more will be demanded in riskier situations, less may be acceptable in safer ones;
- the duration of project phases: shorter for risky contexts, possibly longer as perceived risks decrease;
- the cost-sharing arrangements, if any;
- the scope of the project; and
- the role of Sida: ensuring that the LPO's technical and organisational competence is in line with project requirements; exercising greater vigilance and a more 'hands-on' approach in the early stages of a co-operation (or throughout a riskier project); and allowing the parties greater leeway later on.

7.4 Some Recommendations

7.4.1 Introductory Remarks

In addition to *the definition of KTS put forward in Section 7.3.4 above*, this evaluation has a number of other recommendations, presented in italics and bullet-points below. While these recommendations are informed very strongly by our findings as regards LPO participation in KTS, they are addressed only to Sida, not the other two parties in the triangle. The following recommendations about KTS and local ownership are future oriented. Their aim is not primarily to question the existence of KTS but rather to contribute to its continuing and future flexibility.

7.4.2 Increased Visibility for KTS

The fact that KTS, as a form of technical co-operation, is invisible to the LPOs logically means that its objectives and the philosophy behind it are also invisible to them. Invisible objectives are not easily achieved where such achievement depends on not just the donor's commitment to them but on the partner's commitment as well.

Sida therefore could only gain, regarding such partnership, from taking a more pro-active role in explaining to the LPOs what it wants to achieve using KTS, and explore ways to involve LPOs in fully sharing these goals.

7.4.3 More Explicit Commitment to Local Ownership in KTS Projects

While the focus of this evaluation is on the question of ownership especially as an end in itself, this proved not to be the – or even a – principal focus of KTS. Indeed in some cases KTS officers keenly denied that it was any purpose at all of KTS to achieve local ownership. *Greater and more explicit commitment is therefore needed within Sida to local ownership in KTS projects, and greater clarity is required about the potential of KTS to that end.* To promote these, the following are some steps:

- *define project success as at least inclusive of local ownership as a means towards this end;*
- *note that ownership as an ethical end in itself is consistent with higher policy objectives of Swedish co-operation as well as with KTS practice and outcomes;*
- *recognise that the ownership that appears to go along with KTS projects is not inconsistent with co-ownership as a practice or as an end, even where Sida's overriding rules and concerns apply.*

7.4.4 Local Ownership of Evaluation

A more explicit commitment to local ownership and to co-ownership should also be translated into greater local ownership of the project evaluation process. In this respect there is much that Sida could learn from the experience of other donors. Examples of measures aimed at increasing local ownership of evaluation processes include involving LPOs in drafting the ToR for evaluations, in the selection of evaluators and in the assessment and acceptance of the evaluation reports. Possible losses of efficiency of the evaluation process can be minimised with proper planning, and would most likely be more than compensated for by stronger local ownership of projects and better chances for the formation of genuine partnerships.

7.4.5 Where to Use KTS, and How

The ToR for this evaluation ask questions concerning (i) the countries and partners with which KTS can be used, and (ii) how the KTS characteristics can best be applied to maximise local ownership. Can KTS be used in different national contexts than those in which it has been used until now (e.g. those of traditional co-operation countries, or others still), with what kinds of LPOs, and in what way?

Chapter 6 goes a long way towards providing an answer to these questions. As for the question about national contexts, the main point is that context is not a national characteristic only. *Competent organisations for KTS support should be sought not just in 'suitable countries'.* In this respect, no one sector or group of sectors should be expected to have necessarily more competent organisations (or strategic needs) than another.

Rather than a 'Yes/No' answer to the question of KTS applicability, what we have is different levels of risk, depending on the characteristics of the context. The four variables characterising the national context, mentioned in Section 6.5.2, may help assess such risk. The answer to the 'how' question – i.e. which LPOs to select, and what KTS characteristics to emphasise – depends very much on the assessment of risk. The riskier the national context, the more strictly it may be necessary to apply the KTS characteristics.

It may thus be possible to use KTS in countries characterised by lower levels of institutional and other aspects development than those normally associated with middle-income economies. In this case it becomes more important than ever to seek strong and competent local partners, both professionally and institutionally. For instance, in a country where the government considers itself entitled to dispose at will of the staff and resources of public organisations, only LPOs that are institutionally strong enough, or protected enough, to be able to resist such behaviour should be considered for KTS co-operation⁶³. For similar reasons, *the higher the risk as indicated by the four variables mentioned in Chapter 6 (or*

others), the more necessary it will be to shape co-operation into short-term and not very expensive projects, of the kind that can be terminated without too much loss in case the co-operation does not go well. In this respect, the Sida-Öst strategy of starting with small, cheap short-term projects and later, as confidence develops and uncertainty decreases, moving on to larger projects lasting longer, seems very appropriate.

Under conditions of high uncertainty, other KTS characteristics seem equally necessary to guarantee high local ownership. They include demand-driven projects, particularly those that are directed at the building up of core competencies that respond to strategic needs of the LPO, and reliable, competent and committed Swedish consultants. Finally, in such situations Sida should assume more fully its role of principal at the time of assessing success and deciding on subsequent stages. The agency should also envisage a greater presence during implementation, translated into a closer monitoring of projects and a greater readiness to intervene if the situation seems to justify it.

7.4.6 Applying KTS Characteristics to Strengthen Local Ownership

The recommendations below deal with how KTS characteristics should be applied in order to strengthen local ownership of KTS projects. The argumentation in support of these recommendations can be found throughout this report. To argue in detail for each recommendation would entail needless repetition and lengthen an already long report. This is the main reason for the brevity of the text below.

Content of the Co-operation

- KTS support should continue to exclude the possibility of providing hardware support on a large scale.

Contract

This evaluation finds that little or no empowering value arises for the LPO from signing the contract for the consultant's services. A more effective route to LPO empowerment might lie in the LPO playing a more active role in choosing the Swedish consultant (if it has the capacity to do so). Recommendations include:

- the specifically regulatory nature of the contract should be strengthened as regards its national content, for example in relation to questions such as arbitration or competence of national courts for the resolution of conflicts;

⁶³ Even in such a context, the content of KTS co-operation may protect the LPO against at least some predatory behaviour of the kind mentioned, since such behaviour tends to be triggered more by motor vehicles, quality furniture and computers than by technical knowledge.

- its particular rationale as an instrument for consultancy services signed by the client – not the donor – should be more clearly defined. Unlike a contract for consultancy services signed by the donor, or an ‘ordinary business’ contract between a buyer and a seller, the contract needs to be developed and presented in such a way that the LPO, the LPO’s government and the consultant become more aware of its specificities;
- if the purpose or potential of this contract includes empowering the LPO, this should be following a policy worked out together with the LPO – and possibly the Swedish consultant – on the basis of shared objectives.

Competent Partners

- Working with competent local partners should continue to be seen as an essential KTS characteristic, yet without forgetting that competence is relative to a task and, like the demand-driven nature of a project, may increase over time.

Demand-Driven

- This should continue to be seen as an essential characteristic of KTS to support local ownership;
- where Sida sees elements of its own agenda (such as gender awareness or human rights or environmental probity) as uppermost, particularly at the outset of project negotiations, special measures should be taken to provide for such elements to become demand-driven as the project develops;
- it should in any case always be anticipated by Sida that demand may develop later rather than earlier in a project process, and maybe considerably influenced by a range of factors.

Swedish Consultants

Compared with competent local partners and demand-driven projects, it is not as strictly necessary that the consultant should be Swedish. There could, however, be considerable risk in departing from present KTS practice in this regard. Recommendations in this respect include:

- particular thought should therefore be given to the question whether EU procurement rules for consultancy services in relation to KTS should be implemented or, at least for a significant period, circumvented or otherwise avoided;
- if the transition to EU procurement rules is seen as inevitable, an effort must be made to find alternative ways to preserve the incentive system that was analysed in Section 6.4, so that even if their recruit-

ment is EU-wide the consultants will continue to produce work of a similar quality to that described and analysed in this report.

Cost-Sharing

- Cost-sharing should be seen as consistent with present practice, less as sharing in a significant proportion of costs than as some contribution to costs being made by the LPO;
- since cost-sharing as presently practised (including its rather frequent waiving) is not an essential KTS characteristic, it should continue to be applied flexibly.

Limited Projects or Phases

- Limited projects are advisable where there is considerable uncertainty with regard to the realisation of project outcomes, in which case limited phases are advisable too, in order to reduce risks and strengthen positive incentive effects.

Sida's role

- The diverse and flexible roles that Sida presently plays in KTS projects, which this evaluation has not found to be well described as 'hands off', should be continued along similar lines;
- in order to increase flexibility, Sida should consider further decentralisation of decisions about KTS approval and extension to its officers in the field (when it has them);
- care should also be taken to resist the tendency to 'force' donor-driven agendas onto the LPO.

Local consultants

- Sida should respect LPO views that their ownership would be increased if they could complement Swedish consultant's services with those of local consultants, and modify KTS accordingly. This could be approached in a similar way to that used in relation to the provision of material support, i.e. limited in extent and only when seen as indispensable or at any rate very useful.

Chapter 8

Broadening the Discussion

8.1 Introduction

It seems possible to draw from this evaluation of ownership in KTS projects a number of lessons more generally applicable to projects of co-operation, even non-KTS projects. In this chapter broader and more general issues are discussed than those examined thus far in the report. In any co-operation initiative, and not only in KTS, it is necessary to find and fund a reasonable balance of partner and donor responsibility, to achieve a balance of practice and theory, and to ensure successful project outcomes.

The options for the future development of KTS, including whether to expand it or not, or even conceivably to re-institutionalise it, depend partly on the positions taken in a wider frame of reference. Indeed, to some extent this evaluation's conclusions and recommendations presented in the preceding sections and chapters were guided, as some of our interlocutors specifically wished, by such broader perspectives.

8.2 Co-ownership more Generally Useful and Relevant

Perhaps the most important general lesson of this evaluation is that ownership does not have to be exclusively local. When the concept is applied to ownership of objectives, knowledge outputs or project processes, it is a non-exclusive concept. Co-ownership then becomes not only possible but also positively desirable, since it ultimately reinforces local ownership.

Co-ownership of knowledge in no way decreases the quality of that knowledge, or its actual or potential usefulness to those that have it. Co-ownership of objectives is not only a good basis for co-operation, it also has an effect of mutual reinforcement. A shared objective is a more strongly held objective as well. Co-ownership of processes, i.e. shared responsibility for such processes, both eases the burden on the parties involved and reinforces their ownership, and particularly the weaker party's. It also, and most importantly, creates the conditions for the weaker party to assume responsibilities in line with its capabilities, and thus for

capacity development. Finally, by stressing the solidarity between the parties involved, co-ownership of project processes helps cement their relations and provides a basis for broader, longer-term partnerships. In this process, the consultant plays a crucial role. The concept of co-ownership seems particularly useful for the work of Sida-Öst, one of the main objectives of which is to strengthen links between Sweden and Eastern European countries. The development of partnerships, even around projects of limited duration, is certainly an important way of reaching that objective.

8.3 Closer Targeting of Swedish Aid

Another broad issue is that of closer targeting of Swedish aid in a climate of likely increase of funds for aid, associated with a likely decrease in the financial and administrative resources for its deployment.

This issue relates to the ways in which KTS, through adroit application of its characteristics, tends to select only those partner organisations that are likely to ensure project success. While this is one aspect of ‘good targeting’ of assistance, there are of course others, such as targeting those who need it most.

The findings of this evaluation with regard to the former sense of targeting are that competent partners may be found not only in certain categories of countries, but wherever the necessary conditions, such as a committed project leadership, exist or can be developed. These requisites are not country-type-specific. National characteristics are far from being the main contextual considerations in this respect. Other factors, such as a slow or rapid start of new initiatives, levels of ownership, and the like, may be equally important.

As regards the needs-assessment that an overall co-operation programme aimed at close targeting must take account of, this evaluation stresses the importance of *strategic* needs for organisational change and development.

What else has this evaluation brought up, besides the two concerns above, which could help ensure closer targeting? The following points provide some indications:

- Building on the proven strengths in the record of accomplishment of co-operation (KTS and other) in the sectors concerned.
- Linking shorter run perspectives on projects with longer ones on partnership and co-operation, and informing the LPO of this relationship.

8.4 Reducing Aid Dependency

A third broader issue concerns the aid dependency that remains even where a KTS approach has been flexibly and pragmatically applied to result in expected project outcomes. Normally all donors strive for their efforts to have sustainable outcomes, enabling the eventual withdrawal of support.

KTS could contribute to reducing aid-dependency, for example through:

- discussing and agreeing with the LPO, and possibly also the Swedish consultant, on sustainability of results enabling a withdrawal of support as a shared goal and KTS as an approach to achieve it;
- actively seeking to increase the relevant information and access to knowledge and resources required by the LPO to strengthen its position to achieve this shared goal.

8.5 ‘Matchmaker’ and Other Approaches to Aid Co-operation

A fourth broader issue is that of the ideology of development co-operation. It arises because Sida, like any other donor, has both a ‘matchmaking’ responsibility to partnerships as well as an agenda of its own (for instance democracy and human rights in general and environmental and energy concerns in the Baltic specifically). In other words, there is almost always a tension in development co-operation between the principles for ‘good’ co-operation in terms of local demand, local ownership and partnership, and the donor’s own agenda.

Many would argue that both the donor and the recipient country gain from international development co-operation. They say that the aim of such co-operation should be to establish solidarity and good international relations as well as efficient aid targeting and delivery. Co-operation at large, but also KTS, could better promote the values of mutuality by acknowledging that:

- aid programmes normally have multiple objectives, often of varying importance;
- it is unlikely that a single co-operation form can be expected to achieve all of these objectives;
- transparency around the fact that there are multiple objectives, often even for individual projects, has more to offer than obscurity.

8.6 Linking Means and Ends in Development Co-operation

Another broader issue connected closely with the preceding one has to do with the linking of means and ends in development co-operation: the relation of the instruments through which aid is disbursed to the general policy objectives of the co-operation, including the particular objectives of certain co-operation forms such as KTS.

This broader issue arises from the fact that KTS means different things to different parties, but also that it does not always have local ownership as an explicit objective, despite the fact that ownership is a general Sida objective, as for example expressed in *Sida at Work* (Sida, 1998).

Donor agencies are sometimes criticised for being so wedded to certain forms of co-operation that they appear to be looking for problems to fit those forms. Putting the solution first in this way is like putting the cart before the horse.

KTS could be applied more purposefully than it is as present:

- if there were more explicit awareness on the part of its protagonists of its similarities with and differences from other forms of co-operation;
- if it were defined with reference to the common denominator of KTS projects and to the differences between individual projects and that common denominator; and
- if it were therefore seen as having theoretical underpinnings, while at the same time remaining essentially a flexible form of co-operation.

8.7 Aid, Ethics and Efficiency

No donor or recipient is likely to disagree that aid should be ethical as well as efficient. However, there is much debate not only as to how, but even whether, ethics and efficiency can be combined.

This broader issue arises from the evaluation especially if ownership, whether local or joint, is seen as an ethical end which should be honoured in itself, along with the sound technical and management work that is required to make worthwhile projects effective. This is also connected with the view that, although some decentralisation of Sida's decision-making power by fielding KTS officers in partner countries might increase efficiency and improve results, it might also, by creating the possibility for much closer management of aid projects by Sida, conceivably have some negative impact on local ownership and demand-driven aid. This could happen, for instance, if under the influence of an effectiveness-oriented and ownership-unaware Sida delegation, co-ownership were to be progressively replaced by Sida ownership.

Having a dedicated KTS unit in Stockholm, responsible for KTS evaluations (mainly or even solely in cost-effectiveness terms), might also privilege KTS efficiency over local ownership and other ideals. It was indeed a finding of this evaluation that normally LPOs were neither part nor full parties to Sida initiated KTS evaluations in any serious sense, and that the criteria set for such evaluations make no reference to ownership and the like.

An ethical ownership emphasis could be made broadly compatible with an efficiency perspective, for example through:

- being clear and explicit at the outset of KTS projects regarding both ethical ends (such as local ownership) and cost-effectiveness; and
- including these ethical considerations explicitly in the ToR of KTS evaluations, not least so that the role ethics plays in project performance and its management and outcomes can be attended to.

8.8 The Swedish Cultural Context of its Aid Characteristics

Not explicitly explored in this evaluation are the Swedish cultural (including moral and religious) constructions and values about co-operation, which may or not be shared with the LPOs. Is, for example one dimension of cost-sharing that, besides being a practical token required by Sida for an applicant to be taken seriously, it also relates to a cultural concept of good order and rectitude that a Swedish perspective might construe and require in such international relations? In other words, is cost-sharing partly a practical proposition and partly a matter of a moral duty?

To answer such questions, further inquiry would be required that, for instance:

- is specifically designed to inquire into such cultural (and moral, religious and political) dimensions;
- compares aid with non-aid issues in public affairs (and foreign relations);
- goes beyond even KTS and non-KTS comparisons; and
- compares the Swedish cultures of co-operation with those of the partner countries.

8.9 Sweden's and Other Donors' Aid forms

Finally, a broader issue deals with similarities and differences between even like-minded, and 'like-cultured', donors and their inter-relations, be these co-operative or competitive, distant or close, inclusive of multilater-

al agencies or not, or likely (in some countries) very soon to be succeeded by the EU.

From this evaluation this issue arises inasmuch as cost-sharing and other KTS elements are not exclusive to Sida. Neither are Sida's general objectives of partnership, participation and ownership, uniquely Swedish.

Is KTS a uniquely Swedish aid form, whether in some or all of its characteristics? If so, what leadership and similar support could Sweden offer to, and what could it learn from, like-minded donors?

The creative studies needed beyond the present evaluation to answer these questions, would, among other things:

- have an explicitly inter-donor focus;
- explicitly compare KTS and non-KTS forms of co-operation; and
- concern Sida's ways of internal institutionalisation of learning and organisation as well as those of the other donors concerned.

List of References

- Andante Consultants (1996) 'A Review of the Programme for Technical Cooperation'. *Consultancy report*. Stockholm, February 1996: 1996:7 Sida (mimeo).
- Gustafsson, I. (1999) 'Are Genuine Partnerships Evolving? Some Reflections from an Agency Perspective'. Paper presented at the Oxford International Conference on Education and Development 1999 on Poverty, Power and Partnership. Stockholm, August 1999 (mimeo).
- INEC (2000) 'Contract Financed Technical Cooperation'. Stockholm, May 2000: Sida (mimeo).
- Molund, S. (2000) 'Ownership in Focus? Discussion paper for a planned evaluation.' *Sida Studies in Evaluation 00/05*. Stockholm: Sida.
- Sida (1998) *Sida at Work: Sida's methods for development cooperation*. Stockholm: Sida.

Annex 1

Terms of Reference for an Evaluation of Contract-financed Technical Cooperation and Local Ownership

1 Background

Contract-financed technical cooperation (KTS) is one of the aid forms used within the Swedish development cooperation for technical assistance. The purpose of the support through KTS is to mediate knowledge (development of knowledge).

One of the most central features of the aid form is that local ownership is expected to be strong in KTS projects. The essence of KTS is the contractual arrangement, which sets the division of responsibilities and roles. An actor in the partner country (not a private firm) contracts a consultant for some kind of technical assistance. Sida finances the contract between these two actors. However, Sida does not have a contract with any of the two actors. The idea is that the relationship between the local partner and the consultant as much as possible should resemble a 'normal' market relationship between a buyer and a seller. Sida should only act as financier and mediator and should interfere marginally in the management of the project.

There are a number of factors, characterizing KTS, which support the division of roles and responsibilities set by the contractual arrangement. To guarantee that projects are supported and prioritized by the local partner, and thus that the local partner may be expected to take on the responsibility for the projects in the short and long term, KTS projects should be demand-driven and cost-sharing should be applied. Further, the partners should be competent enough to take on the responsibility and also to benefit from the technical assistance. To make it possible to withdraw the Swedish support as early as possible, and thus avoid aid dependence and ensure a continued strong local ownership, KTS projects should be limited in time and financial volume. Hence, the local partner may not count on being supported for several years ahead. This may be expected to create incentives for the local partner to assume ownership. The aid form is also characterized by the fact that the consultants normally are Swedish.

The characteristics of KTS, apart from the contractual arrangement, seem to be applied in a flexible way. That is, the characteristics are adjusted to the local con-

text, i.e. the means⁶⁴ of the local partner and the institutional set up on organizational as well as national level. This flexibility is perceived as imperative by the departments at Sida working with KTS.

KTS is assumed to be applicable only in certain countries and not in traditional partner countries, most probably due to the competence requirements on the local partner but also due to the fact that the specific appropriation of KTS⁶⁵ has been reserved for some 30 countries, which are not traditional partner countries.

2 Reason for the Evaluation

First of all, an overriding evaluation of KTS has never, apart from a comprehensive study in 1996⁶⁶, been conducted. Hence, the positive relationship between KTS and local ownership is assumed but not certified giving rise to questions such as; what is the de facto relationship between the characteristics of KTS and local ownership? Does strong local ownership characterize KTS projects? Lessons about the relationship between the characteristics of KTS and local ownership, are of interest not only to the departments working with KTS but also to Sida and development cooperation in general, as the characteristics are also used, separately, within other aid forms and methods at Sida with the purpose of furthering local ownership. Further, there is an increased interest, at Sida, in roles and relationships between the actors in development cooperation in general and in Sida's limited role in KTS specifically.

Secondly, given the flexibility, there are questions about how the characteristics should be applied in different contexts to best support the intended division of roles and responsibilities and in which types of partners/countries that KTS may be applied.

Thirdly, the interest in KTS has increased within Sida over the last years. However, at the same time there is uncertainty within Sida as to what KTS stands for. The definition of KTS is based on the characteristics. However, as the characteristics are applied in a very flexible way, it is difficult to define what support should be labeled KTS and what support should not.

Finally, Sida is currently developing an overriding policy for KTS, into which the evaluation may feed-in.

3 Purpose and Scope of the Evaluation

The purpose of the evaluation is to assess local ownership in KTS projects and to study the application of the characteristics of KTS. Further, the purpose is to dis-

⁶⁴ Knowledge, competence and resources.

⁶⁵ The specific appropriation is abolished as from the financial year 2001.

⁶⁶ "Översyn av tekniskt samarbete", Sida, INEC, 1996

cuss the relationship between these characteristics and local ownership in different local contexts⁶⁷.

By fulfilling this purpose the evaluation should contribute to:

- Sida's management of KTS by identifying lessons about a) how the different characteristics can/should be applied in different local contexts to best support local ownership and b) the requirements on the local context for KTS to be applicable;
- increased certainty within Sida as to what KTS is;
- lessons about within which countries and with what partners KTS can be applied, e.g. whether KTS is applicable in traditional partner countries;
- Sida's learning about roles, relationships and ownership in development cooperation;
- Sida's overall work to support and strengthen local ownership.

See further, Section 4.4 "Recommendations and lessons learned".

Field studies shall be undertaken in the following seven countries; Lithuania, Ukraine, Mongolia, Egypt, Guatemala, Botswana and Mozambique. These countries are selected for the following reasons:

- *Lithuania* and *Ukraine* are selected to represent Eastern Europe, which is one of the two broad groups with which Sida has KTS cooperation. Ukraine and Lithuania further exemplify different local contexts regarding e.g. how far the reform process has come, institutional strength and level of development.
- Mongolia, Egypt, Guatemala and Botswana represent countries managed by INEC/KTS⁶⁸, the other of the two broad groups with which Sida has KTS cooperation. These countries are selected to represent different geographical regions, i.e. Asia, Latin America, North and Sub-Saharan Africa. Further, these countries exemplify different local contexts and different KTS-histories. *Egypt* is a traditional KTS partner country with a KTS-history since the 1970's. *Mongolia* is a quite new KTS partner country, where the preconditions for cooperation differs compared to Egypt. *Guatemala* is interesting as Sida not only uses the KTS-form within the cooperation but also other forms and methods. *Botswana* is selected to represent a country that has developed from being a traditional partner country to becoming a KTS partner country.
- *Mozambique* is selected to represent a traditional partner country.

The consultants shall conduct in-depth studies of a minimum of three projects in each country. The in-depth studies may possibly need to be com-

⁶⁷ With local context we refer to the rules and norms within organizations but also to those on the national level.

⁶⁸ Department for Infrastructure and Economic Cooperation (INEC), Division for Contract-Financed Technical Cooperation (KTS).

bined with desk studies, queries and/or other methods in order to cover a larger population of projects. The consultants shall conduct the selection of projects during the inception phase. The projects selected should be of such character, regarding financial size, length in time and type of project, that ownership structures are possible to trace. In selecting projects the consultants should, as far as possible, cover different sectors and both urban and rural based projects. Sida is to approve on the selections made.

The scope of the project selection will differ from each country, depending on the size of the KTS support. In Guatemala and Botswana, there are only a few projects (approximately 5) to select from. In Mozambique there is only one KTS-project, hence, this field study will be limited and should preferably be combined with the field study in Botswana.

4 The Assignment (issues to be covered in the evaluation)

The assignment is divided into three parts:

- 1 Development of working definitions and indicators of ownership and the characteristics of KTS;
- 2 Assessment of local ownership and study of the application of the characteristics of KTS and their relationship to local ownership in different local contexts;
- 3 Discussion about a possible definition of KTS.

4.1 Development of Working Definitions and Indicators

4.1.1 Ownership

The consultants shall develop a working definition of ownership taking Sida's definition as a starting point, and also consider UTV's⁶⁹ discussion/elaboration of the concept, see Annex 2 and 3. According to Sida, ownership in development cooperation goes further than the legal definition of ownership (see Annex 3, page 3). The meaning of this is however unclear and should be discussed by the consultants. Further, the consultants should consider the discussion on possibilities, rights, means and obligations in Annex 2.

4.1.2 Indicators of ownership

Based on the working definition of ownership the consultants shall identify indicators of ownership that are applicable to KTS.

4.1.3 The characteristics of KTS

The consultants shall develop working definitions and, if deemed necessary, indicators of the below listed characteristics, to be used in the evaluation.

⁶⁹ UTV stands for the Department for Evaluation and Internal Audit

- Contractual arrangement;
- Sida's limited role;
- Demand-driven approach;
- Cost sharing;
- Limited projects;
- Competent partners;
- Swedish consultants.

It may be difficult to give a precise definition of some of the characteristics. In such cases the meaning of the characteristic should be discussed as well as its importance to KTS.

4.2 Study of the Relationship Between KTS and Local Ownership

4.2.1 Stakeholder analysis

In order to identify relevant stakeholders to consult, the consultants shall carry out a stakeholder analysis. The consultants shall identify the different actors involved in the different stages of the project on all three sides; the local partner, the consultant and Sida. The consultants shall, relating to the discussions in Annex 1, page 6, and in Annex 2, page 3, specifically consider whether there are several stakeholder groups on the side of the local partner and thus several possible local owners.

4.2.2 Study of the application of the characteristics of KTS and of local ownership

The consultants shall assess local ownership and study the application of the characteristics of KTS in the selected projects. Further, the relationships between the characteristics of KTS and local ownership in different local contexts shall, as far as possible, be assessed. The main questions to be answered are: does strong local ownership characterize the selected projects? How are the characteristics applied in different local contexts and what are the implications for local ownership? Related to the former question; how important are the features of the local context, e.g. the capacity of the local partner, to local ownership and thus to the applicability of KTS?

The consultants should possibly also assess the importance of the character of the projects to local ownership (see further page 6).

The questions specified under each of the below listed headings are to be seen as suggestions on the kind of questions that will have to be answered.

Local ownership

Whether the selected projects are characterized by local ownership or not may be analyzed through studying the ownership structures of the projects, i.e. the de facto division of responsibilities between the actors in the cooperation. This requires analysis of actions taken by the different actors, the roles the actors take

ANNEX 1

and give to the others as well as the relationships between the different actors. Who takes what decisions? What are the different actors actually held accountable for? Who do the actors turn to when difficulties/problems arise in the project? Who do the different actors perceive as responsible? What do the different actors perceive themselves to be responsible for?

The consultants should take into consideration that the roles and relationships may change over time, thus, that the ownership structure may change as the project proceeds.

The contractual arrangement

The formal contractual arrangement shall be studied by the consultants. What does the formal relationship between the actors look like? Who has got a contract with whom? What formal rights and obligations do the different actors, primarily the local partner, have? Who is formally responsible for what? What is each actor formally held accountable for? What does the contractual arrangement, i.e. the formal division of responsibility, imply for local ownership, i.e. the ownership structure? What enforcement mechanisms are there?

Sida's role?

What role does Sida take in the different stages of the project; initiation of the project, contracting of the consultants, management of the project etc.? What does Sida's actions and roles imply for local ownership? What does it imply for the local partner's possibilities of and/or interests (willingness) in taking on the ownership? How do the other actors perceive Sida's role in the different stages of the project? If possible, considering the scope of the evaluation, the consultants should discuss the importance of Sida's overriding rules and objectives to Sida's actions and roles in the cooperation, and possible implications of acting in accordance with these and also further local ownership.⁷⁰

Cost-sharing

To what extent is cost-sharing applied in the selected projects? What types of costs do Sida and the local partner cover respectively? Is the agreed cost-sharing fulfilled? If not, why? May the application of cost-sharing be taken as a guarantee for locally supported and prioritized projects? Is cost-sharing a relevant indicator of ownership? Related to this, is the extent of cost-sharing of importance?

Demand-driven approach

To what extent are the selected projects demand-driven? Who initiated the project, i.e. who demands it, the local partner, the consultant or Sida? If the answer is the local partner and there are several possible local owners, who among these initiated the project? How is local ownership affected if the project is initiated and demanded by Sida and/or the consultant? Is a demand-driven approach

⁷⁰ Sida will during the latter part of 2001 also conduct an audit of the KTS cooperation.

essential for local ownership? That is, is local ownership possible although the project is not initiated by the local partner?

Competent partners

What are the characteristics of the local partner, e.g. what means, in terms of resources, capacity and competence, do the local partner have to take on the responsibility? How does the characteristics of the local partner affect its possibilities to and interest in taking on the ownership?

Limited projects

How long period does the project cover? Is it one in a row of phases? How large is the project in financial volume: Sida's contribution and in total? Does the length of the time-period and the size of the support affect the local partner's incentives to take on the responsibility?

Swedish consultant

What role does the consultant play in the different stages of the project? Is the consultant's role in relation to Sida and the local partner affected by the fact that the consultant is Swedish? What does the fact that the consultant is Swedish imply for the local partner's (sense of) incentives (interest, willingness) to assume ownership? Does the consultant have the required competence for the assignment? Does the competence of the consultant affect the roles and actions taken by the actors in the cooperation?

The local context

What are the characterizing features of the local context at the organizational and national level? What local institutions affect the local partner's possibilities and interests in taking on the ownership? What are the implications for local ownership of the characteristics of the local context? See further Annex 2, page 7.

What can be said about the requirements on the local context, in order for KTS to be applicable? Thus, the requirements on the partner/country for local ownership to be expected? When discussing this question those under 'competent partners' shall be taken into account. This question is also linked to the question of the importance of the character of the projects to local ownership (see below).

The character of the projects

If possible, considering the scope of the assignment, the following questions should be included in the evaluation. How is local ownership affected, i.e. restricted and/or supported, by the fact that the support is in the form of transfer of knowledge (development of knowledge)? How is local ownership affected by the character of; the knowledge, the knowledge transfer and/or the process of knowledge development?

4.3 Discussion About a Possible Definition of KTS

On basis of the findings of the application of KTS, the consultants shall discuss the least common denominator of the KTS form, and the implications for the use of the term and the aid form within Sida. What are the minimum requirements for the support to be labeled KTS? Possible differences between how the characteristics are applied in the case studies and how they are intended to be applied should be accounted for and discussed. Further, possible differences in application between different actors (departments) at Sida, and their rationale, shall be accounted for and discussed. This part of the assignment will possibly require that KTS is discussed in relation to other similar forms within the Swedish development cooperation.

4.4 Recommendations and Lessons Learned

Lessons and recommendations shall primarily be directed to Sida staff. The consultants shall consider that there are different groups within Sida with different needs and interests in the evaluation. Firstly, there are departments that work almost exclusively with KTS, which need, among others, lessons about how to improve the management of KTS. Secondly, there are departments with very little experience from KTS, who's primary interest are to get a clearer picture of what KTS is: Where, with what partners, is KTS applicable and how should it be applied? Thirdly, Sida in general and those at the policy level in particular are mainly interested in lessons about the roles and relationships in development cooperation, and the relationship between the characteristics of KTS, the local context and local ownership.

Lessons will also be of interest to stakeholders in partner countries, hence, the evaluation process shall be designed so that both Sida staff and stakeholders in partner country receive feedback on evaluation results.

The consultants shall discuss:

- the relationship between KTS and local ownership;
- which characteristics that seem to be most important for local ownership;
- what can be learnt from KTS as regards the application of the characteristics and local ownership;
- what can be learnt from KTS as regards roles and relationships between the actors in development cooperation its relation to local ownership;
- the least common denominator of KTS and implications for the use of the term and the form within Sida (see Section 4.3);
- how the KTS form should be adjusted to the features of the local context, that is, how the different characteristics should be used and combined in relation to the local context, to best support, reinforce or at least not weaken the preconditions for ownership in the local context;
- the preconditions for ownership in the local context, both in terms of means⁷¹

⁷¹ Knowledge, competence and resources.

and institutions, that are required for KTS to be applied effectively. That is, to discuss in which types of countries and partners KTS may be applied effectively;

- whether it seems to be possible to apply KTS effectively in other parts of the development cooperation, i.e. in traditional partner countries;
- the importance of the features of the local context, organizationally as well as nationally, to local ownership;
- the importance of the character of the project to local ownership.

See also the purpose of the evaluation, Section 3.

5 Methods and Work Plan

The evaluation shall be undertaken in close cooperation with Sida.

Field studies in the selected countries are required. UTV reserves the right to take part in the field visits by agreement with the contracted team.

In Section 4.1 relevant Sida documents and other literature will have to be consulted. Section 4.1.3 also requires interviews with concerned staff at Sida, as the characteristics are not clearly defined in any document. In Section 4.2 interviews with the stakeholders identified in the stakeholder analysis will be central. Further, it is important that concerned Sida staff is consulted when discussing the questions in 4.3. Finally, documents revealing the process, i.e. the roles and actions taken in the different stages of the project, will have to be reviewed.

The consultants should consider that the responsibility for, and task of, identifying and collecting relevant information, including Sida documents, rests primarily with the consultants, who cannot rely on support from UTV in this regard. This also applies for planning and preparation of the field studies. Further, regarding the field studies, the consultants should consider that there are Sida representatives only in Mozambique, Guatemala and Egypt. In the other countries there are Embassies but no Sida representatives, except for in Mongolia which is handled from the Swedish Embassy in China. Hence, the consultants may expect limited support from the Embassies.

A reference group will be given the opportunity to comment on the various intermediate reports. It is important that the consultants cooperate with the group, by keeping them informed and taking their points of view under consideration.

The evaluation is envisaged to require approximately 80–110 person weeks.

The tentative time schedule for the study is:

March 2001:	tender invitation
June/July 2001:	contract consultant
August/September 2001:	submission of inception report
Sept./Oct.–Dec./Jan. 2001(2):	field work

ANNEX 1

Sept./Oct.–Dec./Jan. 2001(2):	submission of draft country reports, seminars at Sida
February 2002:	submission of final country reports and draft final report, seminars at Sida
March 2002:	submission of final report

6 Reporting

- 1 An inception report shall be presented to Sida providing details of approach and methods. Further, the approach applied and criteria used for project selection shall be accounted for in the inception report. The inception report shall include a detailed work plan specifying how and when the work is to be performed.
- 2 (Draft) Reports on the field studies of each country shall be presented. To give feed back to stakeholders, and also to give them the opportunity to comment on the reports, debriefing (seminars) shall be held both at Sida headquarters in Stockholm and in the partner countries. Depending on the character of the field reports they may be printed as separate publications and shall in these cases also be reported as final reports after having received and considered comments on the draft versions.
- 3 A draft main report summarizing findings, conclusions and recommendations as specified in Section 4.4. shall be prepared. The report shall be kept rather short, more technical discussions are to be left in the annexes. Format and outline of the report shall be agreed upon between the consultants and Sida. In connection with the presentation of the report seminars shall be held at Sida headquarters.
- 4 Within four weeks after receiving Sida's comments on the draft main report, a final version in two copies and on diskette, alt. via e-mail, shall be submitted to Sida.

All reports shall be written in English. Subject to decision by Sida, the report will be published and distributed as a publication within the Sida Evaluations series. The evaluation report shall be written in Word for Windows (or in a compatible format) and should be presented in a way that enables publication without further editing. The evaluation assignment includes the production of a Newsletter summary following the guidelines in **Sida Evaluations Newsletter – Guidelines for Evaluation Managers and Consultants** (Annex 6) the completion of **Sida Evaluations Data Work Sheet** (Annex 7), which shall be submitted to Sida along with the final report.

Consultations with stakeholders and dissemination of findings and lessons will be important throughout the study and the consultants are to include a budget for this in their tender. However, a separate budget and contract between the consultants and Sida will cover dissemination activities following the publication of the final evaluation report. A decision on dissemination activities will be taken at a later stage in the evaluation process.

7 Specification of Qualifications

7.1 Compulsory Qualifications

The following qualifications shall be met by the tenderer.

The content of the tender

- The approach and methods to be applied in performing the assignment shall be specified and motivated as concretely and clearly as possible in the tender. Specifically, the tenderer shall:
 - present how they intend to assess ownership and the relationship between the characteristics of KTS, local context and ownership;
 - discuss the ownership concept and problems/potentials involved in assessing ownership;
 - specify the methods to be applied and the theories that are to be related to;
 - specify how to conduct the project selection;
 - present if and how the in-depth studies are to be combined with desk studies, queries and/or other methods in order to cover a larger number of projects.
- The tenderer shall account for his/her understanding of the assignment in his/her own words.
- The tenderer shall comment on the ToR, and are also free to comment on the background papers (Annex 1 and 2).
- The tenderer shall provide a detailed time and work plan for fulfillment of the assignment including a) a manning schedule that specifies the tasks performed by and the time allocated to each of the team members, and b) estimates of the time required for the different tasks of the assignment. The tenderer shall clearly state when the team will be able to perform the assignment.
- The tenderer shall specify the qualifications of each member of the team and attach their individual Curricula Vitae. The knowledge and experiences, that is relevant to the assignment, shall be highlighted in the curricula vitae of the respective team members (see staff resources below).
- The tender shall include a budget, which differentiate between and propose ceilings for fees and reimbursable items. Estimated costs/price shall be stated in total and for each separate activity in the assignment. All fees shall be stated hourly. All costs shall be stated in SEK, exclusive of Swedish Value Added Tax, but including all other taxes and levies. Individuals however, shall state their fee exclusive of Swedish social security charges.

ANNEX 1

Staff resources

The team shall possess, in a suitable combination, advanced knowledge of and experience in a majority of the following disciplines:

- economics and/or political science and/or related social science;
- anthropology and/or sociology and/or related social science;
- thematic evaluations;
- institutional and incentive analysis;
- organizational analysis (specifically bureaucracies) and/or management theory;

The team shall possess knowledge of and experience from the countries selected for the evaluation, i.e. Ukraine, Lithuania, Mongolia, Egypt, Guatemala, Botswana and Mozambique, or similar countries.

Further, the team must include members with the ability to speak Spanish. As some of the central documents will be in Swedish at least one team member must have the ability to read Swedish.

The team-leader shall have considerable experience from managing evaluations, preferably of the same size and character as the present.

7.2 Preferred Qualifications

Staff resources

It is preferable that the team includes members that have done some qualified work on the ownership/partnership concept(s).

Representation of partner country researchers is desirable.

Annexes to the Terms of Reference (not attached here)

- Annex 1 Contract-financed technical cooperation (KTS). A background paper.
- Annex 2 Incentives for Ownership
- Annex 3 Sida Studies in Evaluation 00/5 “Ownership in Focus? Discussion paper for a planned evaluation”
- Annex 4 Contract Financed Technical Cooperation
- Annex 5 Sida at Work
- Annex 6 Sida Evaluations Newsletter – Guidelines for Evaluation Managers and Consultants
- Annex 7 Sida Evaluation Report – a Standardized Format, Sida Evaluations Data Work Sheet

Annex 2

Composition of the Study Team

1. Core Team, Responsible for the Overall Study and for the Synthesis Report

João Guimarães (Team Leader and study co-ordinator)
Raymond Apthorpe (Member)
Peter de Valk (Member)

2. Country Studies Teams

Lithuania

João Guimarães (Team Leader)
Raymond Apthorpe (Member)
Peter de Valk (Member)
Algis Dobravolskas (Local Expert)

Mongolia

Nils Öström (Team Leader)
Max Spoor (Member)
Tsagaach Geleg (Local Expert)

Ukraine

João Guimarães (Team Leader)
Raymond Apthorpe (Member)
Oleksander Stegnyi (Local Expert)

Egypt

Raymond Apthorpe (Team Leader)
Maha Abdelrahman (Member, Local Expert)

Mozambique

Peter de Valk (Team Leader)
Annet Lingen (Member)
Gaspar Cuambe (Local Expert)

Botswana

Peter de Valk (Team Leader)
Annet Lingen (Member)
Gloria Somolekae (Local Expert)

Guatemala

João Guimarães (Team Leader)
Guillermo Lathrop (Member)
Mayra Palencia Prado (Local Expert)

3. Support team

Maria Nilsson (Desk Studies, Sweden)
Berhane Ghebretsaie (Research Assistant, The Hague)

Annex 3

List of the projects studied

In Lithuania:

- Community social service pilot projects
- Land Information System
- Programme for co-operation between prison departments
- Strengthening of the Lithuanian Association of Local Authorities
- Development of Lithuanian insurance education
- Regional Development Planning (co-operation Aylus-Jönköping counties)
- Strengthening of Vilnius Chamber of Commerce
- Transport Planning for Vilnius

In Mongolia:

- Civil Service Training
- Capacity Building for Local Self Governance
- Bank Management Training
- Institutional Development of Civil Aviation Authority
- Rehabilitation Study of Central Transmission Grid
- Cadastral System Development

In Ukraine:

- Ukrainian forestry sector master plan
- Development of cadastral and land information system
- Training of social workers
- Public procurement assistance
- Public administration reform in Ukraine
- Training of teachers in home economics
- Implementation of new methods in Ukrainian agriculture
- Co-operation with the Committee of Statistics

In Egypt:

- Computerised maintenance and material management system (CMMS)
- Mount Attaqa pumped water storage
- Metallurgical research and electric arc furnace

- Administrative control for anti-corruption
- Groundwater studies at Karnak and Luxor temples
- Container terminal for river transportation
- Gender awareness at the Ministry of Social Affairs and Social Insurance
- Regional planning

In Botswana:

- Development of an integrated geographical information system (IGIS)
- Production of a national atlas, including a PC-based version
- Upgrading the Supervisory Control And Data Acquisition (SCADA) system and establishing a District Control Centre (DCC) for Gaborone
- Strategic market support to the (parastatal) Botswana Telecommunication Authority (BTA)
- Assistance to organizational reform of the Botswana Agricultural Union

In Mozambique:

- Consultancy support to the national power utility of Mozambique

In Guatemala:

- Development of a cadastral and land registration system (CLR)
- National quality infrastructure in Guatemala (NQI)
- Cleaner and more competitive enterprises in Guatemala (CCE)

Recent Sida Evaluations

- 02/39 Participatory Research in Asia (PRIA) to Support Democratic Decentralisation in India
James Manor, R Parasuram, Anand Ibanathan
Asia Department
- 02/40 Evolving Strategies for Better Health and Development of Adolescent/Young People: a Twinning Institutional Collaboration Project in India by MAMTA and RFSU
Gordon Tamm, Rukmini Rao, Viveca Urwitz
Department for Democracy and Social Development
- 03/01 Sida Support to the PRONI Institute of Social Education Projects in the Balkans
Birgitta Berggren, Bodil Eriksson
Department for Central and Eastern Europe
- 03/02 Swedish Bilateral Assistance in the Field of Migration and Asylum in Central and Eastern Europe 1996–2002
Kjell-Åke Nordquist, Martin Schmidt
Department for Central and Eastern Europe
- 03/03 Deseret's Response to the Challenge of HIV-AIDS in Zimbabwe – Mid Term Assessment
Hope Chigudu
Department for Africa
- 03/04 Sida Support to the Pact Home Based Care Programme in Zimbabwe
Shingaidzo Mupindu, Itayi Muvandi, Paschal Changunda, Caroline Maphoshere
Department for Africa
- 03/05 Zimbabwe National Network of People Living with HIV/AIDS
Shingaidzo Mupindu, Itayi Muvandi, Pascal Changunda
Department for Africa
- 03/06 Village Based Support for HIV/AIDS Orphaned Children in Zimbabwe through Rural Unity for Development Organisation (RUDO)
Nontokozi Mugabe, Phatisiwe Ngwenya
Department for Africa
- 03/07 Professional Activists or Active Professionals?: An Evaluation of Diakonia's Development Cooperation in Latin America 1999–2001
Anna Tibblin, Örjan Bartholdson, Agneta Gunnarsson, Jocke Nyberg, Birgitta Genberg, Mikael Roman, Teresa Valiente
Department for Latin America
- 03/08 Strengthening the Rule of Law in Lao PDR, 1992–2000
Miomir Serbinson, Anna Collins-Falk, Björn Birkoff
Department for Democracy and Social Development

Sida Evaluations may be ordered from:
Infocenter, Sida
S-105 25 Stockholm
Phone: +46 (0)8 690 93 80
Fax: +46 (0)8 690 92 66
info@sida.se

A complete backlog of earlier evaluation reports may be ordered from:
Sida, UTV, S-105 25 Stockholm
Phone: +46 (0)8 698 5163
Fax: +46 (0)8 698 5610
Homepage: <http://www.sida.se>



SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
S-105 25 Stockholm, Sweden
Tel: +46 (0)8-698 50 00. Fax: +46 (0)8-20 88 64
Telegram: sida stockholm. Postgiro: 1 56 34-9
E-mail: info@sida.se. Homepage: <http://www.sida.se>