

Contract-Financed Technical Co-operation and Local Ownership

Botswana and Mozambique Country Study Report

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Abbreviations

ACP	Africa, Caribbean and Pacific
BAU	Botswana Agricultural Union
BDP	Botswana Democratic Party
BITS	Board for International Technical Co-operation
BPC	Botswana Power Corporation
BTA	Botswana Telecommunications Authority
DSM	Department of Surveys and Mapping
EDM	Electricidade de Mocambique
ESKOM	Electricity Utility of South Africa
EU	European Union
GDP	Gross Domestic Product
GIS	Geographic Information Systems
IGIS	Integrated Geographical Information System
IMF	International Monetary Fund
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
LRF	Swedish Federation of Farmers
MOWTC	Ministry of Works, Transport and Communications
NGO	Non-Governmental Organisation
PK	Personnel and Consultancy
SA	South Africa
SADC	Southern African Development Community
SCADA	Supervisory Control and Data Acquisition
SIDA	Swedish International Development Authority
Sida	Swedish International Development Co-operation Agency
ToR	Terms of Reference
UNDP	United Nations Development Programme

Chapter 1

Introduction

1.1 General

This report presents the main results and conclusions of the evaluation study carried out in Botswana and Mozambique as part of a broader evaluation of contract-financed technical co-operation and local ownership.

Contract-financed technical co-operation (KTS) is characterised by Sida as one of the aid forms used within Swedish development co-operation for technical assistance. It is used primarily, but not exclusively, in countries which are considered too developed to be designated as traditional partner countries.

All KTS projects are characterised by a contractual arrangement in which the local partner enters a contract with a 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.

In addition to this contractual arrangement, KTS projects are also supposed to share a number of other special characteristics which may be summed up by the expressions 'demand-driven projects', 'cost-sharing', 'competent partners', 'limited projects', 'Sida's limited role' and 'Swedish consultants'. The Terms of Reference (ToR) for this evaluation present the rationale for 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 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 characterised by the fact that the consultants normally are Swedish (ToR, p. 1).

There is considerable variability in the way in which KTS is applied in particular national contexts. The general evaluation of which the present Botswana/Mozambique evaluation forms part has three main purposes:

1. To assess local ownership in KTS projects;
2. To study the way in which KTS characteristics are applied in different local contexts; and
3. To discuss the relationship between these characteristics and local ownership in different local contexts.

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

4. The characteristics of the national/local contexts within which the KTS projects are implemented;
5. The ways in which the characteristics of KTS have been applied;
6. The nature and character of local ownership; and
7. The relationship 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 local/national contexts in which the projects are implemented.

The concept of *local ownership* can be loosely understood as to capture the degree of responsibility that the organisation has and shows for bringing the project to a successful end (see also Section 2.2.1). Local ownership is considered by Sida 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 increasing their chances of effectiveness and long-term sustainability. Sida expects local ownership to have a positive influence on selecting projects that have high priority for the local partner, to lead to better utilisation and/or absorption of the project outputs, and to ensure that the local partner undertakes activities to realise agreed project outcomes. There are also references to ‘responsibility’ and ‘commitment’ when explaining how local ownership is supposed to exercise its positive influence. Sida (1998: 16–17) emphasises responsibility in the following passage about ownership:

... we talk about ‘ownership’ of projects 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.

It can be expected that the relation between a project form (KTS) and the issue of local ownership differs between countries with different levels of institutional development. Thus, in total, seven country studies were chosen by Sida: Lithuania, Ukraine, Mongolia, Mozambique, Botswana, Egypt and Guatemala. Botswana was chosen as a (Swedish) programme country that has received KTS support and that has lost its programme country status. Swedish aid to Botswana is managed by INEC/KTS¹, Mozambique is a traditional partner country with a low level of income. KTS has recently been introduced in Mozambique as an experiment. The single KTS project in Mozambique is financed from the country programme budget.

The focus of this 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 aid-recipient organisations (which will be designated here as Local Partner Organisations, or LPOs, for short), including their project personnel and other stakeholders. The main question to answer is whether and to what extent KTS, in some or all of its characteristics, leads in actual practice to the 'local ownership' that it is expected – in Sida – to achieve.

A number of outcomes are expected from the evaluation of which this country study forms part. These include: (i) greater clarity within Sida as to the nature of KTS, both in particular cases and as a form of development aid; (ii) indications as to the contexts in which this form of co-operation is or could be most applicable (as well as those in which it could not); and (iii) lessons on the ways in which, in different local contexts, the characteristics of KTS should be applied so as to strengthen local ownership.

Based on these outcomes, the evaluation is also expected to yield lessons concerning the applicability of the KTS concept in less developed countries than those where it is currently used, and indications of when and how KTS could be applied there.

Further questions for this evaluation concern broader aspects of significance of this aid modality, including Sida's agenda of aid priorities, and its philosophy and ethics of development aid and partnership. The evaluation should also throw light on the concept of local ownership and on

¹ Department for Infrastructure and Economic Co-operation (INEC), Division for Contract-Financed Technical Co-operation (KTS).

broader aspects of Sida aid and of 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 Sida development assistance, or for a variant that would achieve the same objectives.

1.2 Plan of the Report

The report combines the country studies of Botswana and of Mozambique, since only one KTS project exists in Mozambique. Following this introductory chapter, Chapter 2 presents a short summary of the approach and methods adopted in these country evaluations, particularly in relation to the projects selected, people contacted, data gathering, measurement of relevant concepts and problems associated with summarising complex judgements into one dimension. This is followed by a short and selective overview and discussion of the national context of Botswana in Chapter 3. Chapter 4 deals with an overview of Swedish assistance to Botswana and the application of the KTS characteristics in the projects examined in Botswana. Chapter 5 discusses KTS in Mozambique by providing the national and organisational context, an overview of Swedish aid in Mozambique and the discussion of KTS characteristics for the case of the KTS project with Electricidade de Moçambique.

Chapter 6 analyses various aspects and dimensions of local ownership in the projects discussed and draws practical conclusions on planning for ownership. Two annexes contain respectively a set of descriptions of the projects examined and the list of the people interviewed.

1.3 The Study Teams for Botswana and Mozambique

The study team for Botswana consisted of Peter de Valk (team leader, Institute of Social Studies, The Hague), Annet Lingen (Institute of Social Studies, The Hague), and Gloria Somolekae (University of Botswana, Gaborone), while for Mozambique it consisted of Peter de Valk (team leader), Annet Lingen and Gaspar Cuambe (Consultant). The field team also benefited from the work of another team member, Maria Nilsson, who carried out in Sweden a desk study of KTS assistance to Botswana and Mozambique. Some sections of that study have been incorporated in the present report.

Chapter 2

Approach and Method

2.1 Basic Information

The fieldwork upon which this report is based took place over the period 20 January to 2 February 2002 in Botswana and 3 February to 8 February in Mozambique. Already before the fieldwork started, team members from Botswana and Mozambique had been active making contacts and organising meetings for interviews with the Swedish Embassy, consultants and personnel of local partner organisations (LPOs).

All five ongoing KTS projects² have been selected for analysis in Botswana. In Mozambique only one KTS project was in operation. Projects in the pipeline for approval and implementation were not selected on the suggestion of Sida that interviewing might influence the sensitive approval process. Despite the limited choice, these projects reflect an interesting mix of complexity, project scale and importance, length of co-operation, sector, type of consultant, and how the consultant was selected. The five projects in Botswana are:

1. Development of an integrated geographical information system (IGIS) with the Department of Surveys and Mapping (DSM) under the Ministry of Lands and Housing;
2. Production of a national atlas, including a PC-based version, also with the Department of Surveys and Mapping;
3. Upgrading the Supervisory Control and Data Acquisition (SCADA) system and establishing a District Control Centre (DCC) for Gaborone with the (parastatal) Botswana Power Corporation (BPC);
4. Strategic market support to the (parastatal) Botswana Telecommunication Authority (BTA), and
5. Assistance to organisational reform of the Botswana Agricultural Union.

The project in Mozambique is:

- Strategic assistance to the Electricidade de Moçambique (EDM)

² A 'KTS project' in this evaluation is understood as comprising one or more agreements on financing of technical assistance contracts with the same LPO, within the same broad substantive area of assistance.

Fieldwork consisted primarily of interviews with people involved in each of these projects, mainly on the LPO side, but including also some other local project stakeholders and, in Mozambique, the local representative of the consultancy firm. All interviews took place in Gaborone and Maputo. Efforts were made to reach other stakeholders, but most of those reached appeared to have nominal interests only in the projects. In one case in Botswana, two Board members declined to meet with the evaluators,³ while in another case in Botswana, the executive director (also project manager for most of the period) was on leave. Nevertheless, the interviews that did take place were most informative.

Debriefing was done during week two by the Swedish Ambassador in Botswana. In Mozambique, it was done by the First Secretary of the Swedish Embassy in Maputo, also in the second week of the field work.

In Stockholm, the team also had a significant number of interviews, in person or by telephone, with desk officers in Sida and Swedish consultants (on the 9th, 10th, and 11th of January 2002). The interviews were supplemented with analysis of project documents collected by Maria Nilsson and members of the evaluation team and provided to the evaluators by several of the people interviewed.

Project histories were reconstructed using (a) written information obtained at Sida, from Swedish consultants and from the LPO:s, (b) interviews in Sweden with Sida desk officers and Swedish consultants, and (c) field interviews with relevant persons of the LPO:s and related institutions, and representatives of Swedish embassies. Together these various sources of information constituted the 'raw material' upon which the conclusions have been built.⁴

Annex 1 contains the project descriptions. A list of the people met by the evaluation team is presented in Annex B.

2.2 Methodological Observations

The purpose of this section is to introduce the reader to the approach taken in this and other country studies to study the relationship between KTS characteristics and ownership. Particular emphasis is placed on measurement issues (Section 2.2.1) and related limitations and caveats (Section 2.2.3 and Section 2.2.4). An overview of the areas covered by the interviews is given in Section 2.2.5).

³ They argued that they could not give more information than the project manager.

⁴ Documents included the project proposals, minutes of meetings, contracts, letters of agreement, letters of understanding, evaluations, and correspondence between Sida, Swedish Embassies, and LPO:s.

2.2.1 Practical Guidelines for Evaluating Basic Concepts

The discussion in this Section is largely consistent with the treatment of the Technical Supplement to the Inception Report (with some small exceptions that will be highlighted). Basic concepts for the evaluation to be further elaborated here are ‘ownership’ and the various ‘KTS’ characteristics.

The concept of ownership can be loosely understood as to capture the degree of responsibility that the organisation has and shows for bringing the project to a successful end.⁵ Practical guidelines to assess the degree of ownership in various stages of the project are presented below (Section 2.2.1.1).

KTS characteristics can be summarised as: (a) contract financing, (b) technical co-operation, (c) Swedish consultants, (d) cost-sharing, (e) competent local organisations, (f) demand-driven, (g) limited projects, and (h) Sida’s limited role.

Measurement problems for the first three do not exist given their dichotomous character. Issues that arise in their practical applications are dealt with in the detailed discussion of Chapter 4 and 5. The remaining KTS characteristics (competence, cost-sharing, limited projects, and the role of Sida) do involve measurement aspects and will be discussed in Section 2.2.1.2 to Section 2.2.1.5.

2.2.1.1 Ownership of Objectives, Processes and Results

Projects develop through different phases over time (such as identification, design, implementation, etc.) and exhibit different aspects (e.g. objectives and activities). The phrase ‘owning a project’ must therefore distinguish between these different phases and aspects in order to arrive at a more adequate understanding of this notion.⁶

A major aspect of the *ownership of objectives* is the priority assigned to the project by the organisation, as well as its role within a broader framework of government priorities. With a high priority assigned to project objectives the project can be understood as being demand-driven⁷. Ownership

⁵ See also Sida’s definition in Chapter 1. Further complexities of the concept are discussed in detail in the ToR for the evaluation, the tender of ISS and in the Inception Report. It has also been further discussed in the report of the first country study in Lithuania.

⁶ For example, the answer to the question of who owns identification (i.e. has identified the project) can shed light on the extent to which the project is demand-driven at that stage.

⁷ In this country study (Section 4.2.4) we have interpreted demand-driven as: the extent to which the idea for the project came from the local organisation, the project idea and objectives were supported by the organisation, and the organisation took an active role in initiating the project (it is thus wider than just ‘ownership of objectives’, which just refers to an identification ex post).

of objectives could be measured along an ordinal scale in terms of whether the project is:

- Hardly supported by the larger part of the LPO (L: low);
- Only supported by parts or some individuals of the LPO (L: low);
- Useful and with similar priority to other activities of the LPO (M: medium);
- Important within the LPO (H: high);
- Vital to the LPO (H: high).⁸

During the process of project *formulation* agendas of Sida or the Swedish consultant may find their way into the project. Information on this process can often be obtained from studying the written exchanges contained in project files. Complications in using this concept arise from multiple objectives some owned by the local organisation, some less, and others not at all. In aggregate, ownership of project formulation by the LPO may be indicated by:

- More or less passively receiving the project formulation carried out by the Swedish consultant (L);
- Active role, but not full responsibility taken for formulation (M);
- Full responsibility taken for the formulation (H).

Specific objectives that have entered the project document by Sida's conditions can provide a starting point to study what happens to processes of ownership at later stages such as implementation and appropriation of output. More simply, is the local organisation serious about such objectives or not?

A further aspect of ownership of the process is how the project is actually managed during its *implementation*. This is on the understanding that what is crucial for this ownership is to pursue the details of implementation and ensure maximum effect of the project. With good working relationships between the consultant and the local organisation it is not very easy for the evaluation team to decide on who is responsible for implementation. Co-ownership (between consultant and local organisation) is often observed (see the working definition labelled S, in the classification below). Only in the very few cases where disagreements between client and consultant were reported was the evaluation team able to observe the degree of commitment of the local organisation to achieving project out-

⁸ This scale has more distinctions than the scale used in the Technical Supplement to the Inception Report to emphasise that these finer distinctions would be possible. But to make the assessment commensurate with the other studies the lowest two and the highest two are each collapsed into one assessment (respectively L and H).

puts. The degree of responsibility of the local organisation vis-à-vis the Swedish consultant for project management could be that:

- The consultant took the main responsibility for project management, with some involvement of the LPO (L);
- The LPO assumed part of the responsibility for project management leaving another part with the consultant (M);
- The project was managed mainly by the LPO, calling on the services of the Swedish consultant as needed (H);
- Both the LPO and the consultant feel highly responsible for all aspects of project management (S).⁹

The most important aspect of ownership is with regard to project output. The commitment to achieve the project output drives the implementation process and will eventually determine the project success. In technical assistance projects, the output consists of knowledge transferred. This can take the form of explicit or tacit knowledge. Explicit knowledge is visible in a specific study or advisory report, in the number of persons trained, the quality of the training, creation of human development departments and training institutions within the organisation. Tacit knowledge is transferred through learning by working together and can become embedded in organisational routines and work practices and attitudes.

A possible rank of the degree of incorporation of new knowledge into the organisation's activity could be that:

- New knowledge is considered important but is not yet or only sporadically used in the normal activity of the LPO or other stakeholder (L);
- New knowledge is used to a reasonable extent (M);
- New knowledge is centrally (strategically) used and addresses the core-competences of the LPO (H).

2.2.1.2 *Assessing Competence*

Two kinds of *competence of the LPO* are relevant in the context of KTS – *technical competence* in the substantive area of the project, and – *organisational capacity*, primarily for effective project formulation and especially management and implementation. The complicating factor is that many projects focus on the core-competences of the organisation. However, without a certain degree of initial competence the absorptive capacity of an organisation may be insufficient. Moreover, competence must be judged in relation to the project objectives and management require-

⁹ The possibility of shared ownership (S) is not recognised in the Technical Supplement to the Inception Report but has been noted in various previous studies. Therefore it is included here.

ments. Thus, competence is a relative concept and as much a project output as a project input. This may include technical as well as organisational capability.

Thus it may be possible to distinguish the following for technical competence of the LPO (all relative to project objectives):

- The LPO lacks the minimum technical competence to be able to take full advantage of the project, in terms of transfer of knowledge associated with the project (L).
- The LPO has just about enough technical competence for it to take advantage of the transfer of knowledge involved (M).
- The LPO has considerable technical competence and is well placed to take full advantage of the transfer of knowledge associated with the project (H).

The Inception Report also distinguishes high and low categories for organisational capability. This two-way classification of competence gives rise to the matrix below. This matrix can be used for clarifying the difference between absolute and relative competence and its relation to development assistance.

The KTS approach assumes for local organisations the ‘hh’ combination in relation to project complexities.

When ‘high’ and ‘low’ is understood in an absolute sense (without reference to project complexities), the very notion of aid implies a focus on the lower/right side of the table in an attempt to move to the upper, left side of the table. In contrast, merely focusing on the ‘hh’ class of organisations would result in an aid-bias by not helping organisations most in need.

Dimensions of competence		Technical Competence		
		High	Medium	Low
Organisational Capability	High	hh	mh	hl
	Low	lh	ml	ll

For organisations with low organisational capability (in the absolute sense) the ‘lh’ and ‘ll’ combinations could still be feasible for more explicit knowledge transfer projects.

Although not an explicitly KTS characteristic, the competence of the Swedish consultant will also influence processes of ownership within the project. Thus, similarly to the competence of the LPO indicated above, the *competence of the Swedish consultant* could be assessed in two main dimen-

sions. One is the *technical and professional* competence in the field of the project (which in their case also would include the organisational capacity). In some specific technical areas of KTS projects (such as cadastral systems) the Swedish consultants are international consulting branches of Swedish government agencies, with practically no competition in their area of work. In the other cases the Swedish partners are private consultancy companies in areas where there are other companies with similar technical and professional competence. This fact will, of course, also influence the possibilities for applying a tendering procedure to the selection of the consultant.¹⁰

For technical competence, the following distinctions can be made:

- The consultant lacks the minimum technical competence to be able to carry out its duties in the project, in terms both of management and of transfer of knowledge associated with the project (L).
- The consultant has just about enough technical competence to be able to carry out its duties in the project (M).
- The consultant has considerable technical competence and can easily carry out its duties in relation with the project, both in terms of transfer of technical knowledge and in terms of management (H).

The other main aspect of the competence of the Swedish consultant is the role played as a *development* consultant by building confidence and partnership in co-operation, including respect and openness for the opinions of the LPO. This also means that the consultant actively supports the ownership of the LPO in all its different dimensions mentioned above. Although not measured on a scale, this aspect will be taken up in the detailed discussions.

2.2.1.3 *Cost-Sharing*

Cost-sharing is defined as the extent to which LPOs provide resources and implementation costs. Sida views cost-sharing as both an indicator of demand for the project (related to ownership of objectives) and a guarantee that the LPO will attempt own the project implementation and output (to get value for their money). There is no prescription from Sida as to what the proportion of cost-sharing should be. There seems in practice to be a great variation in contributions on the part of the LPOs. This mostly seems to reflect the access to resources by the LPO. Those LPO:s that generate their own income can easily take on the local project costs or even more, whereas other bodies without their own income sources might have more difficulties in this respect.

¹⁰ As summarised in the Technical Supplement to the Inception Report, the consultant may be a private company; an NGO; a semi-public agency; or a Swedish government agency or the consultancy arm of such.

In general, it seems that cost-sharing is seen, whatever its size, as an earnest of commitment more than a means of support. In absolute terms, the levels of cost-sharing (as agreed in the contact) could thus be:

- Some sharing of the local costs of the project (L).
- Provision of most or all local costs of the project (M).
- Provision of all local cost and a substantial part of foreign costs (H).

It should be noted that this scale is different from that used, for instance, in the Lithuania and Ukraine country studies. With that scale, all projects in Botswana would have had high cost-sharing. By raising the scale, more distinctions can be made.

2.2.1.4 Limited Projects

This characteristic relates to the extent to which the project is a once-off intervention or not. In Botswana and Mozambique, an individual project/agreement tends to be one in a sequence of decisions and agreements. A single project does not capture both the history of the project and expectations of the LPO and the Swedish consultant as to what might come next. The definition of a 'project' then becomes the sequence of agreements in the same area of support, involving at least the same LPO and often also the same Swedish consultant. The degree to which the project is limited may thus be defined as:

- The project is a short, once-off event where the LPO neither wants nor expects either new phases or new KTS-projects funded by Sida to follow (H).
- The project is short, but clearly one of a series (M).
- The project is a medium term project and the LPO expects the co-operation with Sida to be extended and it may have been an extension of a previous agreement (L).

2.2.1.5 The Role of Sida

Sida's role as financier in the triangle relationship is of course by definition important. Whether Sida's role in other aspects is as limited in KTS projects as it is stated to be, or felt that it ought to be, could be contested. There seems to be differences in Sida's role from one project to the other, and also between different phases of the project cycle for the same project. A special aspect of Sida's role is the intensity of contacts with the two other partners in the triangular relationship. Moreover, through Sida's conditionalities, Sida's role may be very strong in aspects related to these conditionalities. An indicator characterising the role of Sida in this case could be the extent of Sida involvement in project formulation, selection of the consultant and implementation according to the following:

- Sida played little or no role in formulation or implementation (L).
- Sida was occasionally involved in formulation or implementation (M).
- Sida was closely and actively involved at several points during formulation and implementation (H).

2.2.1.6 Selection of Consultant

Another aspect of the triangular relationships between the LPO, the Swedish consultant and Sida is the *process of selection of the Swedish consultant*. Has the consultant been selected through a tendering process or not, and has the LPO had any influence in the selection. This question loses some of its relevance when in actual practice projects are not stand-alone projects, but phases in a sequence of very similar projects with the same consultant, particularly when the new project is a KTS project and the previous projects fell under a different administrative arrangement.

The selection of consultants could be differentiated in terms of whether the consultant was selected directly by Sida, proposed by the LPO after contacts with the consultant, or selected through tendering, with LPO participation.

2.2.2 Local Context and Ownership

To capture the degree to which local contexts differ in their relation to the issue of local ownership, four dimensions of the local context will be discussed:

- The degree to which state and civil society are mutually supportive;
- The degree to which the national planning system can cope with donor initiatives and relatedly, the degree to which individual LPO:s perceive aid as part of the national context or as a special relation they can themselves entertain with the donor;
- The general level of institutional development;
- The degree to which personal and organisational interests coincide in private sector and government institutions and organisations (in other words: degree of corruption).

A comparison between Botswana and Mozambique is made along these lines in Section 6.2.4.

2.2.3 Fact Finding, Presentations, and Limitations

By re-constructing the historical sequence of project events on the basis of documents and letters, every effort was made to establish as much as possible what actually happened in terms of the processes and relations

around and within the chosen projects and in terms of project achievements and performance. Yet, as in other country studies, it has been necessary for the larger part to proceed mainly on the basis of just the presentations to the team by its interlocutors.

The presentations were understood as a mixture of perceptions and intentions: perceptions as the subjective understanding of what has happened and intentions as strategic instrument. Thus, the team realised that in most cases the project owners had no interest in sharing their problems with an evaluation team, even for a thematic evaluation, unless special circumstances would make this advantageous. But, as in other country studies where as a rule similarly optimistic views of project performance were presented to the team, also in Botswana and Mozambique good circumstantial reasons existed in most cases to take these presentations, if not literally, still seriously.

Inevitably, the present country report has limitations as a piece of policy analysis. It cannot report as directly as it would wish on what can be credited existentially to the KTS form as regards local ownership. This follows from the facts that (a) the KTS aid form is not recognised in Botswana and Mozambique as substantially different from other aid forms and from previous aid practice, and (b) the LPO:s (and indeed most consultants) do not perceive a lack of local ownership either as an affirmed or a contested issue.

2.2.4 Use of Summary Tables

Also this country study will present a summary 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. Such a form of presentation can be useful for a number of purposes. Among others, it allows the presentation of a considerable volume of information in a concise and systematic form and facilitates comparison between projects and the detection of possible regularities in the data presented.

But such tables have disadvantages as well as well as advantages. While for example they can usefully show what are evidently highly variable combinations of characteristics, nothing can be read from them as to project dynamics. For example, our interviews established beyond doubt that, over time, there could be – and usually were – evolutions in the social institutions and organisations at the project level which are of interest to this evaluation. But neither the path followed by these nor the reasons for them can be read from a cross-sectional table.

Further, while projects may be shown to have some characteristics in common, this is not to say that the reasons in the individual cases for these

characteristics to have emerged are the same. What each entry in such a matrix means operationally in terms of project activities, or to what extent project personnel would agree with the judgements made by the evaluation team not only as to scaling but also as to the very selection of indicators, are other problematic issues.

Moreover, the very effort at standardisation evokes critical and creative questions about the extent of generalisation possible and the complexity of concepts used, as evidenced by the various footnotes to these tables. For example, to apply one single scale to ownership of objectives obscures the fact that there may be more than one objective with differences in terms of ownership.

While, then, such matrices may be useful devices for the concise presentation of certain judgements as to some cross sectional data, and for showing at a glance the extent to which different combinations of characteristics can be found in single projects in the same country, they are seriously limited for policy analysis and policy development purposes. Particular care must therefore be taken in their interpretation, and the temptation to read in them more than is warranted must be resisted.

2.2.5 Questions

Annex C presents a list of questions that the evaluators used as guidelines for the interviews, although of course without asking every single one, or without asking them in the precise order in which they are presented. These questions are phrased for interviews with the LPO; for other stakeholders and for the consultants the questions were suitably modified. The questions asked of the LPO focused primarily on ownership, in its various dimensions, and on the application of the KTS characteristics. They dealt primarily with the following subjects:

- General questions about the project content
- Contents of the co-operation
- Origins and demand for the project
- Priority of the project, ownership of objectives
- Stakeholders
- Contract, contract management and the 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

Chapter 3

The National and Organisational Context of Botswana

This section provides a summary of the main aspects of Botswana's national and organisational context relevant to understanding the project environment and its relation to issues such as project ownership and project success. Its conclusions are that Botswana enjoys a relatively conducive environment for implementing aid projects in terms of stable political conditions, a well-functioning planning system, high income levels and low levels of corruption and that consistent and appropriate national planning procedures by themselves already contribute to a high degree of ownership both from the national as well as organisational perspective.

3.1 General Facts

Botswana is an upper high middle-income country, located in Southern Africa. It is land-locked, bordering South Africa, Zimbabwe, Zambia, and Namibia. Its capital Gaborone is about halfway between Africa's east and west coasts. It has a population of about 1.6 million with about 40.3 percent of the population younger than 15 years and a growth rate of only 0.5 percent. The unemployment level is estimated at around 20% of the labour force, while 10 percent work in South Africa. Life expectancy at birth is estimated at 37.1 years and the HIV adult prevalence rate is 35.8 percent, the highest in the world. Botswana is a stable parliamentary republic and its economy has been growing fast, stimulated by exports of diamonds and beef.

3.2 Economic and Social Development

Present day Botswana was a former British protectorate from 1885–1965. By the time of independence in 1966, the newly independent Botswana was one of the poorest countries in the world, with a per capita income of roughly US \$60. The country was largely dependent on foreign aid even to balance the recurrent budget. The administrative and

physical infrastructure was quite modest. The modest administrative infrastructure within the protectorate was primarily meant to serve the interests of the minority white settler population, and to ensure law and order. By the time of independence for example, there were only 40 university graduates, and 8 kilometres of tarred roads. It is not surprising, therefore, that there was a fair amount of pessimism when the country agitated for independence, and doubts about Botswana's prospects for growth and development, including the viability of the newly independent state.

All these changed following the discovery in the early 1970s of large mineral deposits, particularly diamonds. The good fortune from this mineral wealth, prudent public sector management, and the generous support from the donor community all contributed towards the impressive economic strides made following the country's independence. The cattle sector, which until then had been the only commercial undertaking in the country, received a major boost when Botswana gained privileged access to the European market under the EU-ACP Lomé Convention, while the Southern African Customs Agreement (SACU) had just been renegotiated in 1969 giving Botswana a new deal in the division of revenues collected. As a result of all these developments, Botswana became one of the fastest growing economies in the world. During the two decades following independence, Botswana's growth averaged over 10% a year in real terms. Its main source was an increase in exports from minerals, and beef.

The accumulated effect of this growth performance has taken Botswana from an income level among the lowest in the world to the third highest level of income per capita in the SADC region today, behind Mauritius and South Africa. The economy has continued to record impressive results. It grew by 7.7 percent in 1999/2000. The latest 2001 growth rate is 8.1 percent. The rate of inflation has remained at single digit level, and in fact has declined from 8.5 percent in 2000 to 6.6 percent in 2001. The debt service ratio has remained below 5 percent for most of the 1990s (World Development Report 1997). One of the major challenges facing the Botswana economy has been the slow pace of diversification away from mineral dependence.

Although the country has done well in terms of economic development, it has not recorded comparable success in the area of social development. According to the UNDP's (1999) Human Development index (HDI) Botswana's ranking is 122, while the percentage of households living below the poverty line was 38 percent in 1993/94, which is when the last household income survey was undertaken (see Government of Botswana/UNDP, 1997). However, the recent Botswana Human Development Report 2000 estimates an increase to 47 percent. In light of Botswana's high per capita income (above 3000 US\$), the level of Botswana's HDI is

very low, and the share of people living below the poverty line is quite high. In addition, Botswana's Gini Coefficient (estimated at 0.56 in 1993/94) is among the highest in the world.

The HIV/AIDS scourge has been noted to be "the most serious challenge" facing the nation, and described as "a threat to our continued existence as a people." (The President of the Republic of Botswana: state of the Union address, 2001). According to UNAIDS, 36 percent of sexually active persons (age between 15–49) are HIV positive, the highest percentage in the world. As a result, Botswana ranking in terms of the Human Development Index has gone down from 71 in 1996 to 122 in 1999. The HIV/AIDS pandemic has put the health sector under considerable strain, and is already undermining the gains, which had been made during the last three decades.

3.3 Political System and Stability

Unlike most of the countries in Sub-Saharan Africa, Botswana has continually had a multi-party democratic system since independence. As a consequence, it is now one of the oldest democracies on the continent. Multi-party elections have been held every five years as stipulated by the country's constitution, and the country's human rights record is generally one of the best on the continent. Botswana has therefore enjoyed peace and stability in the region, even during the time when she was surrounded by very hostile racist governments that occasionally violated her sovereignty and harassed her citizens.

However, it must be stated that this democracy has not been without limitations. Some of these include the following:

- *A democracy dominated by one party.* Only one party, the ruling Botswana Democratic Party (BDP), has dominated the legislature. Part of the reason for this situation has been the first-past-the-post electoral system. Under this type of electoral system, the number of seats a party gains in the legislature does not necessarily correspond to the proportion of electoral support on the ground. This situation has naturally weakened the country's democracy, and has effectively reduced the country to a de facto one-party state. However, in 1994, the main opposition Botswana National Front (BNF) got a third of the seats in parliament. In what is almost becoming a trademark of the opposition in Africa, by the time of the next election in 1999, this political party had already split up, with the formation of the Botswana Congress Party (BCP). Since this break-up, it is clear that the ruling BDP will be without a major challenger for sometime to come.
- *A weak, ineffective and under-resourced civil society.* The civil society in Bot-

swana has largely remained ineffective and totally reliant on donor funds. When the donor exodus took place in the mid 1990s, many of these organisations became even weaker. This has further weakened Botswana's democracy as it has meant that fewer voices are coming from outside the political system.

- *A small, though growing private press.* For many years following independence, and specifically until the mid-1980s, the government media was the main source of news. The checks and balances that this kind of institution is supposed to provide in a democracy were limited.
- *A divided and weak opposition.* The opposition has struggled over the years to operate as a credible and potential alternative government. These divisions continue amid growing concerns for a potential increase in voter apathy.
- *The question of minority rights.* Minority rights, particularly the issue of language and the need for a much more representative House of Chiefs, have of late become some of the most hotly debated issues in the country's politics. Following these concerns, a commission of enquiry was set up to gather people's views and to advise government accordingly. In this regard, a white paper is already before parliament for consideration.

Despite these weaknesses, the country has remained stable, and has continued to demonstrate ability to handle these challenges. Sensitive national matters continue to be discussed in a peaceful manner. Political stability has now become a feature of Botswana's political system. Corruption is very low by African standards and Botswana ranks 26 on the Corruption Perception Index of Transparency International (with a value of 6.0 out of 10 it is close to Belgium, Portugal, Taiwan and Italy).

3.4 Public Sector Reform and Privatisation

National Development Plan 8 (covering a six-year period from April 1997 to March 2003) announced a major shift in government policy. Its theme, *Sustainable Economic Diversification*, reflected this adequately. Government committed itself to ensuring that the private sector, and not government, will now play a leading role as an engine of growth. Following this major policy decision, government has worked towards ensuring that the private sector takes the lead in creating jobs and stimulating economic growth.

The government has since worked towards concentrating on what it views as its right role, that of creating and maintaining a more conducive environment for private sector growth through "building the necessary physical and institutional infrastructure, provision of basic services like law and order, security, education and health; and public policies in

respect of all matters relevant to business such as wages, government finance, money, credit and interest rates, trade and investment, exchange rates, delivery of serviced land, and the development of skills and technology.” (Mid-term review; NDP 8:1). The provision of these services is considered by government to be necessary for the creation of a conducive environment in which the private sector can emerge and flourish.

In addition to the provision of the above mentioned services, public sector reforms have been undertaken with a view to creating a much smaller, leaner and efficient government which will play a facilitative as opposed to controlling role towards the private sector. The most significant of these reforms have included the deregulation exercise, organisation and methods (O&M), Work Improvement Teams (WITS) and, in the last few years, the Performance Management System (PMS), Privatisation and Citizen Economic Empowerment. The major thrust of these reforms has been to ensure productivity growth in the public sector. The reforms have also been meant to ensure efficiency as well as to enhance the country’s competitiveness in the global economy. A structure known as PEEPA (the Private Enterprise Evaluation and Privatisation Agency) became operational in 2001. This structure acts as an advisory body to government on matters relating to the privatisation of parastatal organisations. PEEPA is charged with identifying parastatal organisations that should be privatised and to advise government on the modalities of carrying out this privatisation.

It is, however, worth noting that government performance in carrying out these reforms has been somewhat mixed. The most critical problem has been that the pace of reform has been rather slow. For example, even with the introduction of the Performance Management System, service delivery has remained a major challenge for the Botswana public service. The deregulation exercise has been in existence for more than a decade, but a restrictive regulatory framework is still one of the problems facing the private sector in the country. In addition, government is still to move rapidly with respect to the privatisation of some activities.

Despite these shortcomings, it has nevertheless to be emphasised that the leadership is strongly committed to reform and officials are under no illusions as to the fact that there is no turning back. In addition, Botswana’s reforms have not been imposed by an outside agency such as the World Bank or the IMF. They are even taking place when the country is not faced with any economic crisis. These two facts mean that the country owns the reforms, which is an important precondition for success. A key lesson emanating from Botswana’s experience with respect to public sector reform is that reform requires commitment and resources in order to have an impact. It requires an unwavering commitment of the leadership in order to keep everybody focused and committed to the process, with all its discomforts. In addition, it is not necessary for countries to wait until they are in

bad shape in order to introduce reforms. They should be driven on the basis of the need – and appreciation for the need – for efficient and effective management of the public sector as a central institution in any developing country’s path to development.

Botswana’s experience in the field of public sector reform provides a typical example of a country that is acting already in conformity with what the donors (particularly in the case of KTS) advocate. Commercialisation for example is already an accepted method in private sector development. The idea of self-sustaining public organisations governed along business principles is not foreign to the country. The next section will show that Botswana is not only in command of designing its own policies, it does so within a planning system that allows for consistency and flexibility and controlled integration of foreign aid.

3.5 Foreign Aid and Botswana’s Development

Aid has played a very important role in Botswana’s development. As noted in the opening section, about half of the country’s recurrent budget was financed by grants in aid from Britain at the time of independence. During the period 1966–73, grant aid still contributed a significant, but declining share of government revenue, and in 1972/73 Botswana was financially self-sufficient as far as the recurrent budget was concerned¹¹.

However, it would be an exaggeration to attribute Botswana’s good performance to the volume of aid because it is known today that many countries, which sometimes received comparable amounts of aid, did not accomplish as much as Botswana did. The critical variable in this success has been the quality of aid management, which Botswana ensured. The features that have defined the country’s aid management strategy include the following;

- (a) Aid has been fully integrated into the national planning system,
- (b) No project will be accepted and implemented if it has not been included in the National Development Plan and accepted by parliament. A special, but strict procedure exists for such projects to allow for flexibility in the planning system.
- (c) No separate procedures and standards are applied to aid and nationally funded projects. The same discipline and scrutiny applied to nationally funded projects is applied to donor-funded projects;

¹¹ Botswana at independence had only 1,500 students enrolled in secondary school and 40 college graduates. Foreign aid helped the country to finance education and training. It was partly due to assistance from donors that by the 1990s, the government had already reached its target of universal primary education and was close to achieving its goal of 90 percent enrolment in junior secondary schools.

- (d) Only one ministry, the Ministry of Finance and Development Planning (MFDP) has the responsibility to negotiate aid and to secure it. This is meant to ensure that uncoordinated and wasteful use of aid resources is avoided. Over time, the country developed a system of matching projects with donors.

One of the most significant differences from other African countries is that Botswana has chosen to undertake economic reforms before it ran into any economic crisis. Because these reforms are being undertaken when the economy is relatively healthy, and when no external force like the World Bank is setting the agenda, the national political system is able to determine the pace of reform. Hopefully, this will allow the country to avoid the costs of reform that other countries have had to experience.

In conclusion, Botswana enjoys a relatively conducive environment for implementing aid projects in terms of stable political conditions, a well-functioning planning system, high income level and low level of corruption. Botswana's high quality of aid management ensures that projects fit well within its national priorities thus contributing to a high degree of ownership both from the national as well as organisational perspective. In fact, in Botswana's case, the donor is clearly supporting a country on its own chosen path to socio-economic development. This not only enhances the likelihood of national ownership of whatever projects are agreed upon, but it has the potential of reducing misunderstandings that may result in such donor-recipient relationships.

Chapter 4

KTS Projects in Botswana

4.1 General Overview of Swedish Assistance

Swedish aid to Botswana started in 1966 with very small amounts to projects in the education sector, often co-financed with other donors. In 1971, it was decided that the country would become a programme country and aid disbursements rose rapidly to peak at close to 100 million SEK/year in the late 1980s. During the early 1990s the amounts disbursed by Sida dropped somewhat but this was to a small extent made up by the country becoming eligible for KTS support from BITS from 1988 onwards. A far greater decrease can be noted between 1997 and 1998 and in particular 1998 and 1999. The decline is mainly caused by the country losing its programme country status in 1998.

4.1.1 Rationale for Swedish Aid to Botswana

Simply put, there were two main criteria to be fulfilled if a country wanted to become a programme country in the late 1960s and early 1970s: the country had to be poor and it had to have a socialist regime or undergo some kind of socialist revolution (peaceful or otherwise). Most programme countries, then as well as later, also had a long history of political, cultural, religious, NGO or other connections with Sweden.

Table 4.1: SIDA/Sida and BITS¹² Aid Disbursements to Botswana (1990–2000)

	90/91	91/92	92/93	93/94	94/95	95/96 ¹³	1997	1998	1999	2000	Total	%
KTS	887	4705	865	205	6986	3237	2206	461	920	1809	22281	3.35
Other Project Aid	106115	85721	116042	54732	48698	122512	61625	29145	7949	4553	637092	95.66
NGOs ¹⁴	773	956	1508	766	53	415	334	580	601	0	5986	0.09
Programme Aid	0	0	0	0	650	0	0	0	0	0	650	0
Total	107775	91382	118415	55703	56387	126164	66162	32184	11469	8362	674003	100

Note: Values in current SEK (x1000)

¹² Since the exact time of disbursement has not always been known, only the exact amount, disbursements have been placed on the year following the year of decision, when there has not been any additional information to indicate otherwise.

¹³ 18 months

¹⁴ From 1988/89 until 1994/95 this does not include support through the frames for the separate Swedish NGOs and therefore the figures are underestimated.

At independence in 1966 Botswana was one of the world's poorest countries. However, by the time the country became a programme country in 1971, diamonds had already been found and the revenues had started to increase. Also, the regime certainly was not socialist and there were no other ties linking Sweden and Botswana. The main reason for Swedish development aid to Botswana was Botswana's strategic and dependent position in the region vis-à-vis the then apartheid-state, South Africa.

The official reason for the loss of programme country status for Botswana is stated in the last country strategy for the country as follows:

“The relative wealth of Botswana does motivate the phasing out of the traditional grant aid through Sida and a transfer to a broader and more commercial development support.” (Government Decision 09-06-1994, p 5)¹⁵

At the same time, the late 1980s and early 1990s are also the years when the apartheid regime in South Africa started to crumble and fall. Thus also one of the important original reasons for Sweden to provide assistance to Botswana fell away.

4.1.2 Three Periods of Swedish Aid to Botswana

Botswana has received Swedish non-KTS support a lot longer than it has received KTS support. Therefore to understand Swedish aid to Botswana it is useful to have an overview of the Swedish aid history.

The initial period of Swedish aid support to Botswana lasted from 1966 to 1988. Swedish aid, like the support to most programme countries, consisted of three major sub-programmes and some minor ones. The second period lasted from 1988 to 1998. In 1988 it was decided that Botswana could receive support through BITS as well as through Sida and that Botswana would eventually lose its programme country status. The consequence of this decision was that all the sub-programmes started in the previous period were to be concluded. For practical reasons, the Education and Culture and Personnel and Consultancy Funds were allowed to continue. During the nineties, some of the projects in the existing programmes were eased into KTS support (BTA and DSM) and responsibility for them was transferred to BITS. At the same time, BITS also came up with some new projects of their own (BPC). Interestingly enough, the merger of the Swedish aid agencies in 1995 does not seem to have had a great impact on the support to Botswana, although at project level it gave rise to some changes in planning procedures (see the case of BPC in Annex 2).

The last period starts when Botswana formally stopped being a programme country in 1998 with the finalisation of the last country strategy.

¹⁵ However, even though the per capita average income was relatively high, the population in some parts of the country were still among the poorest in the world.

Some of the programmes were extended for another year to allow them to be properly concluded. The termination of the country programme did not mean that Sweden intended to withdraw support altogether. An official document says that support will continue... “based on reciprocity and the promotion of Swedish-Botswana relations, particularly in the economic field. Continued support will be focused on limited measures based on cost-sharing, in fields where the Swedish expertise is competitive” (Ministry for Foreign Affairs, 1999, p. 64). This means that KTS support receives a more prominent position but also that commercial trade relations will be encouraged.

However, most of the programmes have carried on, through extended phasing out support, for another one or two years. Of the original programmes, the District Development Sector Support (DDSS) has continued in the KTS format (e.g. the projects with the DSM). Also the co-operation in the Telecom Sector (with BTA) was transformed into a KTS arrangement. In a way, the period 1998 to 2001 can thus be seen as a transition phase.

Only one new KTS project has recently (towards the end of 2001) been initiated (BAU). There are a larger number of KTS projects in the pipeline at Sida and an even larger number of applications with the Swedish Embassy. It thus appears that a new KTS period is emerging with only fresh KTS projects.¹⁶

As can be seen from Table 4.1, KTS disbursements have been relatively erratic during the last ten years, which means that it is difficult to establish any trends. However, at least there has been no dramatic increase in KTS after the merger and/or the loss of programme country status.

Recently, large sums have also been allocated to an HIV/AIDS project in the country.

4.2 KTS Characteristics in Practice

4.2.1 Introduction

This section discusses the way in which the various KTS characteristics were applied in the five projects studied in Botswana. It must be noted that there is among LPOs no common understanding either of what KTS is, or of the nature of and importance attached to its various char-

¹⁶ A further swing to using KTS could be considered by allowing projects of a regional nature to fall under KTS. As commented by the Swedish Embassy in Botswana, some programmes like the support to fighting HIV/AIDS would greatly benefit from a regional approach. Also Botswana's advanced position and experience would be of benefit to other countries and regional organisations (e.g. BTA's experience was used as a success story by the International Telecommunications Union).

acteristics within Sida. Moreover, the majority of the persons interviewed in Botswana had never heard of the KTS-form of aid, let alone of its specific characteristics. As someone replied to a question whether this specific project phase was a KTS project or not: “it is just semantics”.

The following KTS characteristics will be discussed:

- (1) Contract between client and consultant;
- (2) Technical assistance;
- (3) Swedish consultants;
- (4) Cost-sharing;
- (5) Competent local organisation;
- (6) Demand-driven;
- (7) Limited duration;
- (8) Limited role of Sida;

Table 4.2 presents the scores of each of the KTS projects studied on the various KTS characteristics. The table serves as a reference point for the discussion that follows. The reader is referred to Chapter 2 and the Technical Supplement to the Inception Report for the interpretation of the indicators and the associated scales. All the assessments in the table refer to the current or last phase of the project. More specific information on the projects can be found in Annex 1 Project Summaries, which contain the accumulated findings from various sources: the project files, the interviews in Stockholm and the field mission.

4.2.2 Content of the Co-operation

In all five KTS projects the content of the co-operation concerned technical assistance. In three projects the aim of the technical assistance was institutional strengthening. One of these projects had the explicit aim to enhance the capacity to handle market related issues. In the two other projects the main aim was transfer and adaptation of technology.

In most cases, the technical assistance is a mixture of consultancy, transfer of knowledge and training. In one project, the Support to the Botswana Agricultural Union, the assistance consists mainly of consultancy (that is study and advice on the restructuring of the organisation), although it can be argued that transfer of knowledge is always a part of consultancy services.

None of the KTS projects did involve the provision of equipment. However, the project with the Botswana Power Corporation is a special case in this respect. The KTS project was covering the consultancy services (training and supervision of the hardware consultant), whereas a concessional loan was granted for the purchase of hardware and related training.

4.2.3 Contract Power and Its Use

The contract that gives KTS its name is concluded between the LPO and the Swedish consultant. “The wording of the project contract is the responsibility of the partners in co-operation...The contract shall fulfil certain minimum criteria, for example the division of responsibilities between the consultant and the client, performance, time schedule, reporting and information on costs, as well as budget and payment plan.” (Sida, Contract Financed Technical Co-operation, May 2000). Sida has developed a contract model (draft KTS handbook, Sida, 2001), which partners can use.

Table 4.2: Application of KTS characteristics in projects in Botswana and Mozambique

Project	KTS Characteristics							LPO Competence ⁽⁶⁾		Swedish Consultant	
	Content of co-operation	Use of contract power ⁽¹⁾	Direct involvement of Sida	Cost-sharing	Demand-Driven	Degree to which project is limited	Technical	Organisational	Type of Organisation	Competence	
Botswana Agricultural Union	C	I	H	M ⁽³⁾	H	H ⁽⁵⁾	n.a.	n.a.	Private	n.a.	
Botswana Power Corporation	C + K + T	M ⁽²⁾	M	M ⁽⁴⁾	H	M-H	H	H	Swe-consultants ⁽⁷⁾	H	
Botswana Telecommunications Authority	C+K	I	H	H	H	L	H	H	Private	H	
Department of Surveys and Mapping, GIS	C + K + T	I	M	H	H	L	H	H	Swe-consultants	H	
Department of Surveys and Mapping, Atlas	C + K + T	I	M	H	H	M	H	H	Swe-consultants	H	
Electricidade de Mozambique	C + K	I	M	L-M	H	M	M	H	Swe-consultants	H	

Legend:

C: consultancy, T: training, K: transmission of knowledge H: high, M: medium, L: low, I: irrelevant

Notes on Table 4.2:

- No specific column has been reserved for selection of consultant (as identified in Chapter 2) because of the mixed experience in the projects studied: (a) the long-term nature of co-operation between the LPO and the consultant in 4 of 6 cases, (b) the appointment of the consultant by Sida in 1 case and (c) selection of the consultant by the LPO (without tendering) in only 1 case. Thus although in theory for new KTS projects it is an important indicator of ownership of processes, in practice the evidence on this item for the projects studied is of such a different nature that it does not fit the classification and generalising not possible.
- Implicitly, the contracts function as the bottom line. Behaviour and expectations about other party's behaviour are thus influenced by the contract.
- Explicitly, BPC has requested the consultant several times to make the contractor live up to its contractual obligations, but without success. Since there are two contracts, one with the consultant and another one with the contractor, the contractual situation is more complex than usual.
- Cost-sharing is not only low, but it is even paid by the Ministry of Agriculture while the BAU is a private organisation.
- The low degree of cost-sharing was quite important for BPC, especially since the requirement was only brought up by Sida at the final stage of project preparation. After a long discussion with Sida they managed to have this low degree of cost-sharing (only local costs). The KTS project is, however, linked to a concessional loan with a 50% grant part.
- This is the first time BAU enters into an aid relationship. However, it expects the aid relationship to extend over more than one phase. Sida commented that this is not guaranteed (implying that it can happen).
- In most organisations, competence is the very object of TA. It is thus more relevant to ask whether the organisation was competent in learning technical and organisational competence. The question is therefore addressed in the above manner.
- The term 'Swe-consultants' refers to consultants who are the international consulting department of a current or former Swedish authority.

This model has been used in three recent projects. One of the contracts was based on another model advised by Sida, the FIDIC Model Services agreement of 1991. All contracts contained the required elements. In general the parties are advised by Sida not to agree on another governing law (draft KTS handbook, Sida, 2001). However, one contract states that it is governed by Botswana law, whereas all other contracts are governed by Swedish law.

The contract is the responsibility of the partners, but Sida has to approve the contract. Sida reviews the draft contract and in the letters, which Sida sends to the partners to inform them on its decision to finance the contract (the *Letter of Agreement* to the client in the recipient country and the *Letter of Undertaking* to the Swedish partner organisation) it is stipulated that any deviations from the draft contract should be approved by Sida.

The contract could be assumed to empower the client in their relation with the consultant. Like in the other country studies, the clients are aware that there is a contract, but they do not see it as something special for KTS, or as something that gives them a greater sense of empowerment. For most LPOs the signing of a contract by the LPO for consulting services is already a normal procedure and the organisations did not attach special value to the existence of a contract in the KTS project. However, it does not mean that the contract is of no importance for the relationship between the LPO and the consultant. Both parties concerned know that there is a contract to which they can refer in case of problems or conflicts. However, with one exception there was no reason for the clients to invoke the contract, because they were very satisfied with the performance of the consultants. The irony was that in the case where there were problems, the LPO did not consider enforcing the contract in a foreign country a feasible option.

Local partners and the consultants indicated that other factors are much more important for the LPO-consultant relationship than the contract. The existence of a good relationship and long term partnership with the consultant in which any problems are discussed and solved is of much more importance than the contract itself. One of the persons interviewed mentioned the fact that there is a close relationship between the consultant and Sida as a kind of guarantee that the consultant would do its utmost. Some partners mentioned the fact that they had selected the consultant (in the past). The Swedish consultant asked them to approve the individual consultants proposed by the consultant. This contributed to their feeling of control.

In one project the local partner was, however, not fully satisfied with the services delivered and it is interesting to explore what the client has done to try to solve the problem and whether they have considered using the

contract as an instrument. The situation in this particular project is more complex than in the other KTS projects studied, since a fourth stakeholder is involved. Besides the client, Sida and the Swedish consultant, a Swedish contractor, ABB, – with a South African subcontractor – was involved under a separate contract for the installation of equipment under a concessional loan. It was the work of the contractor, in particular of the subcontractor, with which the client was not satisfied. The system installed had some permanent technical problems. The Swedish consultant under the KTS contract had the task to supervise and monitor the implementation of the project, on behalf of the client. According to the LPO, they had requested the Swedish consultant to ensure that the contractor lived up to its contractual obligations, but the consultant did not succeed. The client did not see it as a real option to invoke the contract by going to court, because it would have meant going to Switzerland (since the contracts refer to the rules of arbitration of the International Chamber of Commerce, based in Switzerland). The problems were not so large as to warrant such an effort. The complicated set-up of the project, consisting of a KTS project and a concessional loan with many stakeholders involved besides the LPO, seems to have diminished the sense of power on the side of the client (see Annex 2).

4.2.4 Demand-Driven Projects

The ToR for this evaluation explains why KTS projects should be demand-driven: “To guarantee that projects are supported and prioritised by the local partner, and thus that the local partner may be expected to take on responsibility for the projects in the short and long term, KTS projects should be demand-driven and cost-sharing should be applied”. In this country study we have interpreted demand-driven as: the extent to which the idea for the project came from the LPO, the project idea and objectives were supported by the organisation, and the organisation took an active role in initiating the project (it is thus wider than just ‘ownership of objectives’, which just refers to an identification *ex post*).

All KTS projects examined by this evaluation in Botswana were initiated by the LPOs. As far as could be assessed through the study of the project files and the interviews, the idea for the projects came from the local partners. The formulation of the proposals was in most cases done in collaboration between the LPO and the Swedish consultant, which each claiming to have played the most prominent role.

A clear example of a demand-driven project is the project to produce a National Atlas of Botswana by the Department for Survey and Mapping. The request came from a national NGO, the Botswana Society. Among others, the Botswana Society and the University of Botswana had long

advocated that a national atlas should be produced (project memorandum, 1994). According to the LPO representative, Sida was first somewhat critical about the project idea¹⁷. The idea was further explained during a visit of the LPO representatives to Sweden. Supported by a positive feasibility study and a positive appraisal of the feasibility study (Surcon, June 1994) Sida decided to finance the proposal. A large number of experts from both the civil service and the university have contributed to the production of the atlas (National Atlas of Botswana, 2001).

A special case is the project concerning the upgrading of the Supervisory Control and Data Acquisition (SCADA) system of the National Electricity Control Centre. The system upgrading was a recommendation of an internal steering committee of the LPO. The Swedish contractor (supplying the system) advised the LPO to approach BITS, since they might be willing to give financial assistance. The idea to get a Swedish consultant (to manage the contract between the contractor and the LPO) under a KTS contract for engineering services and additional training came from BITS, but was supported by the LPO.

It was observed that all organisations assign high priority to the KTS projects and were determined to carry them out. The projects generally refer to the core activities of the organisations and they are part and parcel of what the organisations do. For instance, when the local partners were asked what they would have done if Sida had not funded their project, most respondents answered that they would have tried to get funding from another source, either another donor or the government, or used their own funds.

As discussed in Chapter 3, the working of the planning system in Botswana adds another dimension to the characteristic 'demand-driven'. The planning system ensures that the projects approved not only fit into the national priorities but also into the priorities of the individual organisations: an integration of national ownership and organisational ownership.

4.2.5 Cost-Sharing

As Table 4.2 indicates, cost-sharing is high in three of the five KTS projects with the counterpart being responsible for paying both the local costs and 50 percent of the fees of the Swedish consultants. In the other two projects cost-sharing was medium (25 percent and 8 percent), covering only local costs.

It can be concluded from a letter from BITS to an organisation in Botswana dated April 1995, that at that time it was practice to ask for a high percentage of cost-sharing in KTS projects in Botswana. It is stated:

¹⁷ Production of a National Atlas was not considered the highest priority for Botswana.

“The counterpart is normally expected to cover the local costs ... Since Botswana is classified as a upper-middle income country we require a rather high degree of cost-sharing. The practice that has been established in BITS-financed projects is that BITS covers 50 percent of fees of Swedish consultants and that the local partner pays for the remaining 50 percent of the fees and 100 percent of the local costs for the Swedish consultants.” This practice seems to have been continued under Sida for the existing partners.

The two projects with a lower degree of cost-sharing were special cases. One organisation is a NGO, which has few own funds. In this case, the government has provided the funds for the local costs. The consequence of the cost-sharing is that the line Ministry has become a stakeholder in the project. It is not yet clear how this will affect ownership, since the project has only just started. However, it might affect the independent status of the NGO.

The second organisation was a parastatal. The organisation was not willing to pay more than the local costs, although BITS/Sida insisted on higher cost-sharing. The reason for this seems to have been that they were informed about this specific requirement at a late stage. Furthermore the local partner argued that Botswana was re-classified as upper-middle income country with effect from 1995 whereas all the preparations including the approval of the tender proposal had taken place in 1994. Moreover, the KTS project was directly related to a much larger project concerning the provision of equipment and training. For this project, the organisation had already to pay more than 50 percent of the costs in the form of a loan and cash payment.

Except for the NGO, which did not have sufficient resources, all organisations had sufficient resources of their own to justify a high degree of cost-sharing.

Among the LPO-persons interviewed the opinions on cost-sharing varied to some extent. One organisation explained that, already before they had the KTS project, cost-sharing was a common practice in their Swedish aid-projects. The person interviewed from this organisation remarked that (the extent of) cost-sharing did not change their relationship with the consultant: “we are partners in development”. The relationship with the consultant was considered as more important than the cost-sharing. They could compare it with their experience with other consultants, which they paid for 100% from their own funds. In these cases there was no feeling of partnership: the consultants came in to do the work to earn money and disappeared. A person from another partner organisation said that from a business perspective “the lower the cost-sharing the better”. The LPO did not see a relation between the degree of cost-sharing and their

attempt to obtain maximum benefits from the project (ownership). In the organisation with the largest degree of financial independence a slightly different opinion was heard. The fact that some new consultancies have been financed from their own sources was seen as increased independence from aid in general.

In one case, cost-sharing gave rise to a problem when an agreed activity (but that was part of Sida's conditions, e.g. gender aspects) had to be carried out before the project could be finalised. Initially the LPO declined to carry it out because of the high local-cost-sharing and the relatively low priority assigned to this component at that time (see case study BTA). This indicates that there can be a relation between the degree of cost-sharing and the demand-driven nature of project (components), which in its turn has a relation with ownership of objectives. Again the incidental nature of this information does not allow generalisation.

4.2.6 Limited Projects

The ToR of the evaluation mentions the following on this KTS characteristic: "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". It has not been defined by Sida what 'limited' exactly means.

In Botswana the majority of the KTS projects studied cannot really be called limited in time. Three of the five projects were a continuation of earlier projects, funded under the country programme. Since the country programme was ended in 1998, the KTS projects offered a possibility to continue the co-operation with some of the organisations, which had received support under the country programme for many years. In one of these cases it was indicated that the KTS project was the final phase of Sida's support to the organisation.

The two other projects consist of one phase only. However, one of them can also not be described as limited in time, since the project duration was six years in total, with two years of little activity towards the end. The other project has a relatively short duration, but the organisation has already indicated that it would like to continue the aid relationship after this first project. Sida has commented that no promises could be made of Swedish funds for any future institutional co-operation, but did not rule out such a possibility altogether¹⁸.

In general, Sida seems to have interpreted the characteristic of the limited nature of KTS projects very flexibly. This has helped to create a good

¹⁸ Sida's (previous) desk officer pointed out that Sida has left the door open for new applications because 'supporting BAU and the development of Botswana's agriculture is in line with Sida's overall development objectives as well as the specific needs for Botswana'.

relationship between the LPOs and Sida and has positively contributed to the success of the co-operation between LPOs and consultants. Among the KTS projects studied there were projects with a relatively large budget, project phases of 4 years and projects consisting of many phases. Furthermore, Sida has been flexible with the approval of extensions when there were delays, the use of contingency funds for new activities, etc. Only in one case Sida commented on a proposal with regard to this characteristic. An organisation had asked Sida to finance a resident advisor for 12 months (plus some short term advisors). Sida replied that the organisation had to revise its proposal, because "Sida does not normally finance Swedish consultants on a long term basis within the framework of contract-financed co-operation" (letter Sida to LPO, May 1999). Since there are examples, both in Botswana and in other countries, of funding of resident Swedish consultants for a year or longer, it is not clear how valid this argument was.

4.2.7 Sida's Role

In Botswana, Sida has played a role in the formulation and/or implementation of all KTS projects. Sida and the Swedish Embassy were used to having a regular dialogue with partner organisations when Botswana was still a country programme. With the KTS projects this regular contact seems to have been continued with desk officers paying visits to Botswana to discuss proposals and projects. However, one organisation mentioned that Sida's role was more hands-off with the KTS project than in the past, in particular with regard to invoicing.

Sida's involvement is in particular visible in the project formulation. With the exception of one case, the organisations reported that Sida has raised gender issues (sometimes in combination with the issue of paying attention to 'remote areas') during their discussions with them. In two cases it has led to the explicit inclusion of gender issues in the project proposals. In one project the organisation of a gender policy seminar was included as a project activity. Staff interviewed from the organisations concerned made it clear that there is strong support for the implementation of gender activities. This may be so, but it is also clear that the gender activity has been added at the instigation of Sida and did not really fit into the project proposal as such. In fact, this particular component of the project was transferred from the department where the rest of the project took place to another, more appropriate department. Sida refuses to pay the final amount to the consultant until the gender activity will be satisfactorily concluded.

Furthermore Sida appears to have taken action on two occasions where there were problems of delay. In one case Sida wrote a letter to the Bot-

swana government asking them to approve the funding of the cost-sharing part of a project of an NGO. The organisation was already waiting for one year for the official approval. In another project, which was not yet officially closed due to technical problems, Sida inquired about the reasons for the delay and asked the organisation to come up with a proposal to use the remaining funds.

4.2.8 Competent Partners

As to the competence of partners, the evaluation distinguishes (1) technical competence in the substantive area of the project and (2) organisational capacity, primarily for effective project implementation. In most KTS projects increasing competence is the very object of the technical assistance. The question thus becomes whether the organisation was competent in learning technical and organisational competence.

In all projects, the LPOs had enough technical and organisational competence to take advantage of the project. With the exception of one project, all are with professional organisations, with clear-cut mandates and types of expertise. The organisations appear to have had a certain level of competence from the start, which has been strengthened during the duration of the project (including earlier phases), partly as a result of the project. In one project it is too early to assess the competence of the local partner, as the project had just started and the organisation has not yet much experience in implementing projects. It can, however, be noted that this organisation differs from the other organisations in various aspects. It is a different type of organisation (an umbrella organisation of farmers' associations) and it has less financial and human resources than the other organisations. The objective of the KTS project is precisely to strengthen the capacity of the organisation.

When asked, Swedish consultants were proud of the technical and (in most cases) organisational achievement made by their partner organisations. The Sida desk officer also noted high competence with one case a bit lower in terms of organisational competence.

4.2.9 Swedish Consultants

First of all, a KTS requirement is that the consultant is Swedish. In all projects, the consultant was a Swedish organisation. Two of the Swedish consultants are so-called Swed-consultants, spin off of Swedish (semi-) government institutions. A third consultant is a private consultancy firm while the fourth one is the spin-off of a Swedish NGO. Interviews with representatives of the main office and those who worked in the field showed a great deal of commitment to quality performance in their projects. Generally they viewed the Sida link as an attractive funding

channel and were mostly happy with the role played by Sida in the projects. Most confirmed that the relation with the LPO is mutually benefiting for further Sida-financed projects when both achieve quality performance.

The persons interviewed in the LPOs mentioned that they did not have a problem with this requirement, because after all it is Swedish money and the Swedish consultants are very competent. However, several respondents indicated that they would have preferred if also a local consultant would have been involved, to use local expertise and to build up local capacity. Of course, the local partner is free to include local consultants in the project, but the costs are considered as local costs and would have to be paid for 100 percent by the local partner. A concrete example of this discussion was reported by one of the organisations with regard to their gender activities. The consultant has proposed to involve two Swedish consultants to advise on a gender policy seminar, but the LPO prefers to involve one local and one Swedish consultant instead of two Swedish consultants.

Secondly, the Swedish consultant is to be competent in relation to its duties in the project. All LPOs interviewed consider the competence of the Swedish consultants to be good, and in most cases to be very good. The Swedish experts are described as technically competent and highly committed to the projects. They were said to be hardworking, very open, friendly and flexible. The relationship between the LPO and the Swedish consultant can be described as a partnership. It was remarked that they are not imposing their ideas, but present different options. When there are differences of opinion or problems, these are discussed and solutions are found. For example, when it happened that a LPO was not satisfied with an individual consultant, this person was then replaced. It can be concluded that this attitude of the consultant has promoted local ownership of the projects.

Only one organisation was somewhat less positive about the work of the Swedish consultant, not with regard to the professional competence of the consultant, but with regard to its commitment. This was the first time these two partners co-operated without, as was the case with three other projects, a longer history of partnership under a different aid form. The consultant had been proposed by Sida and not by the LPO. Strong conclusions cannot be drawn from this given the incidental character of the observations.

4.2.10 KTS Characteristics: Some Concluding Remarks

It can be concluded that in Botswana most of the characteristics of KTS projects have been applied with two main exceptions. The first exception

was 'limited duration'. This characteristic has been used in a flexible way, whereby both projects with a multi-year duration and projects that were one of a series have been approved.

The other exception was that Sida's role was not really hands-off as it is supposed to be in KTS projects. The reasons for the fact that Sida played a more pro-active role in most projects than that of just financier of a contract between a client and consultant seem to have been:

- *The history*: there was already an intensive relationship between some of the partner organisations and Sida/Sida during the country programme;
- *Sida's policy*: organisations were asked to pay attention to objectives of gender (and environment and remote areas). Sida's gender (and other thematic) objectives are also expected to be included in the KTS projects. This contradicts with the hands-off approach even when LPOs already have gender objectives themselves;
- *Sida's desk officers*: they decided to take action in two cases of delays in project approval and implementation.¹⁹

In contrast with the flexible use of the former two characteristics, the cost-sharing criterion has been applied rather strictly, which is understandable given the fact that Botswana is an upper middle-income country. However, cost-sharing was not seen as something special for the KTS project by the organisations involved.

In fact, several organisations remarked that they did not see much difference from other projects, which are not described as KTS, but where there is also a contract, cost-sharing and tendering. It can be added that it is not clear who decides to put the label 'KTS' on the aid form. Apparently it is not the budget line that is decisive, as we have found that certain phases of KTS projects were funded through the Personnel and Consultancy (PK) Fund and not through INEC/KTS.

From the previous pages and the case histories, it can also be concluded that Sida has not been very clear to the LPOs in its directives concerning KTS. This has led to several misunderstandings and discussions on the cost-sharing requirement as well as the 'limited' element.

The relationship that exist between the Swedish consultant and the LPO is nurtured and maintained, leading (in most cases), to a relationship of trust and respect and the recognition that both benefit from quality performance in terms of future possibilities for co-operation under Sida's financial support.

¹⁹ The (previous) desk officer in Sida pointed out that it was in one case (BAU) at the request of the LPO, while in the other case Sida took the initiative to ask BPC what had to be done with the remaining budget.

Chapter 5

KTS and the EDM Project in Mozambique

5.1 The National and Organisational Context

5.1.1 General Facts

Mozambique is stretched along the coast of Southern Africa (its coast line is 2,470 km) and shares borders with South Africa, Zimbabwe, Malawi, Zambia, Tanzania and Swaziland. Its population is estimated at 19.4 million and is growing at the modest rate of 1.3 percent. About 43 percent of the population is younger than 14 years. Life expectancy at birth is 36.5 years. Roughly 1.2 million persons are estimated HIV positive and about 70 percent of the population lives below the poverty line. Corruption is high at a level and observers estimate it as at least comparable to that in Tanzania (which ranks number 82 on the 2001 Corruption Perception Index of Transparency International with an index of 2.2).²⁰

For more than five hundred years, Mozambique was a Portuguese colony. In June 1975 Frelimo, the nationalist revolutionary movement, after 10 years of armed struggle, proclaimed independence. During the subsequent 17 years, Frelimo adopted the system of one party rule based on the Marxist-Leninist ideology and characterised by a centrally planned economy.

In 1982, the Renamo guerrilla movement started its war against the government, with economic and military support from South Africa in particular. This war would go on for ten years, and the country was systematically torn to pieces. It is estimated that more than half a million people died in the war, half of them children. A third of the population was forced to flee to neighbouring countries.

The end of war in 1990, followed in 1992 by the Rome peace agreement between the Government and Renamo, led to new political and economic developments. The deteriorating economic and social situation caused

²⁰ Mozambique is one of the few countries that have not been ranked on the 2001 Corruption Perception Index.

by the war (and the changes in the Soviet-led bloc) led the government to adopt economic reforms in the 80s. This process of change resulted in the introduction of a free market economy under the guidance of the World Bank and the International Monetary Fund.

Similarly, Mozambique started a new chapter of political development with the introduction of multiparty democracy leading to the first multiparty general elections, which took place in 1994.

From 1994 on, economy development under a strong capitalistic orientation gained the necessary impetus as peace and stability prevailed. With exception of the weaker economic growth in the years 2000 and 2001 due to the floods, Mozambique is one of the few African countries with an annual economic growth rate in two digits.

In spite of the prevailing sound political and economic environment, Mozambique still lacks institutional competence, in both public and private sectors, to compete in the global and regional economy. The country greatly depends on foreign assistance to balance the budget and to pay for a trade imbalance in which imports greatly outnumber exports. Mozambique has received a formal cancellation of a large portion of its external debt through an IMF initiative and is scheduled to receive additional relief. In dealing with foreign aid, its planning system cannot provide the quality of aid management that characterises Botswana. International agencies and bilateral donors have a dominant influence on policies and programmes.

5.1.2 Political System and Stability

The introduction of multiparty democracy in 1990 saw the sudden emergence of 12 political parties, which joined Frelimo and Renamo in contesting the 1994 elections. From that year onwards, groups from a variety of social, economic and cultural areas developed organisations to defend their particular interests and pressure the government to cater for their specific needs.

Despite such encouraging developments, strong domination by the same political party since independence still poses questions concerning the observance of the basic democratic principles related to good governance, legality and justice characterised by efficiency and transparency of institutions. With extremely fragile justice, court and public order systems it is still not possible to ensure a sustainable economic growth. This is one of the worrying concerns raised in the Africa Competitive Report 2000, according to which the business sector in Mozambique views the justice system as *non operational*. The inefficiencies of the justice system, the presence of “red tape”, corruption dealing with foreign investment, and political shocks have contributed to the lack of interest on the part of foreign investors.

Where Mozambique still has the reputation of being a country with reasonable political conditions and environment leading to a more sustainable economic recovery and growth, observers fear that with the upcoming elections and the possible victory of MNR political stability will seriously suffer.

5.1.3 Economic and Social Development

After the peace accords of October 1992 were signed, Mozambique undertook a series of economic reforms, involving liberalisation (with more than 900 state enterprises privatised), comprehensive tax reform (value added tax) and macroeconomic stabilisation. Greater private sector involvement in the transportation, telecommunications, and energy sectors is still a pending issue.

Since 1996, inflation has been low and foreign exchange rates relatively stable. Albeit from a small base, Mozambique's economy grew at an annual 10% rate in 1997–99, one of the highest growth rates in the world. With stability and reforms, GDP per capita grew from around USD 100 by 1992 to USD 230 in 2000. Due to devastating flooding in the early part of the year 2000, growth slowed to an estimated 3.8 percent and inflation rose to 11.4 percent in 2000. Both indicators should recover in 2001.

The structure of the economy is still heavily dominated by agriculture, which employs 81 percent of the labour force. Industry employs 6 percent of the labour force and services 13 percent (1997 estimates). In terms of percentage contribution to GDP, the figures are respectively 44 percent, 19 percent, and 37 percent (1999 estimates), highlighting the low productivity of agriculture.

Foreign investments are beginning to materialise. Among these investments are metal production (aluminium, steel), natural gas, power generation, agriculture, fishing, timber, and transportation services.

Despite these developments, Mozambique is still one of the poorest countries in the world. 70 percent of the population lives in absolute poverty. In order to tackle the poverty issue the government has adopted an Action Plan for the Reduction of Absolute Poverty (PARPA) to be implemented from 2001 to 2005. In concrete terms, the poverty reduction strategy in Mozambique is based on six priorities: (a) education, (b) health, (c) agriculture and rural development, (d) basic infrastructure, (e) good governance and (f) macro-economic and financial management.

5.1.4 The Context of Public Organisations

With the adoption of free market economy in 1987, the government took a number of measures in order to gradually discard its leading role in the running of economic affairs. It was under such a process that more than 900 state-owned enterprises were privatised. The few remaining exceptions concern strategic and sensitive areas, including general public administration.

In an attempt to improve efficiency in the public organisations responsible for areas of interest such as electricity, telecommunications, radio and television, the Government has adopted the system of performance agreements with the executive boards of such organisations or companies. The contents of such agreements include duties and obligations that force the executive boards to run their institutions as private corporations.

The government adopted this system with the objective of reducing the waste of scarce financial resources and, on the other hand, impose the sense of professionalism and efficiency characterising private management. It is with that objective that resources provided to public institutions for investment are mainly regarded as loans to be repaid. This is mostly applicable to institutions with conditions to generate income.

This method of dealing with public institutions is considered instrumental in reducing the levels of inefficiency and corruption, which still affect a number of public institutions, especially those with responsibility for delivering specific services to the public.

5.1.5 Conclusion

Poverty in Mozambique is high, physical and social infrastructure is still insufficient and efficiency of public sector institutions is low. Politically, its future is uncertain. Mozambique's aid dependence is very high in terms of both volume and donor influence. Its planning system cannot provide the high quality of aid management as that in Botswana. However, Mozambique is in dire need of assistance.

These facts would suggest concluding in favour of coordinated programme approaches and long-term commitments. However there is no *a priori* reason why this cannot be combined with project approaches. Applicability of KTS projects to Mozambique will depend on the ability to find sufficient (semi-) public sector organisations with strong leadership and with commitment to battle inefficiencies, capable to handle the project procedures and absorb the project outputs.

5.2 Swedish Aid to Mozambique

Mozambique is one of the biggest recipients of Swedish development support. This support began in 1975 when the country gained independence. For many years, large amounts of this aid were spent on disaster relief and support for the peace process.

In 1996, a new five-year co-operation strategy was established which aims to intensify efforts to combat poverty and to help fund the development of democracy. This is achieved by supporting growth that will also benefit the poor in rural areas, and by decentralisation of the country's administration.

Much of the aid at central level was terminated in 1999. 1998 saw the start of the planning of targeted support for the Niassa province in northern Mozambique in respect of farming, teaching, culture, administration and roads, and also for democracy and measures to prevent conflict, where possible.

A number of private Swedish organisations are active in this country. The most significant are the Africa Groups in Sweden (AGIS) and the Red Cross. They work primarily in the social field.

Table 5.1 below provides a breakdown of Swedish development aid by sector for the year 2000. Infrastructure and urban development, of which the support to the KTS project with Electricidade de Moçambique (EDM) is part, still forms the largest item.

In the country strategy for 1996–1999 (later extended to 2000), it was stipulated that the Swedish support to the Mozambican energy sector, which had been going on since 1979, should be phased out. The formal reason for this was that support should be concentrated on fewer sectors, probably in anticipation of sector-wide programmes in agriculture and education as well as the introduction of the Swedish programme in the Niassa province.

This decision was not particularly well received by the people working in energy sector support. The support had been successful and had increased the capacity of EDM. There seems to have been a general feeling that the Swedish government was interrupting the support mid-stride for no particularly good reason. Not even the hardening environment, with the privatisation and the strong competition from ESKOM could convince the Swedish government to revise the decision.

Table 5.1: Sida's Disbursements in Mozambique (2000)

Human rights & democratic governance	64 967 473
Human rights & gender equality	920 836
Democracy	41 601
The legal system	1 113 934
Public administration	55 578 833
Promotion of peace & conflict management	7 312 269
Social sectors	59 275 651
Health care	2 628 671
Education	45 767 572
Other	10 879 408
Infrastructure, private sector & urban development	153 682 721
Infrastructure & urban development	147 345 708
Private & financial sector	6 337 013
Natural resources	9 357 876
Natural resources	9 357 876
Pollution & other environmental protection	0
Other	133 941 903
Total	421 225 625

The extension of the country strategy to the end of 2000 had opened up another possibility for support to the energy sector. It had been added that limited consultancy projects of the KTS type in for example telecom and energy would be approved and financed through the consultancy fund.²¹ The new country strategy again allows for further support to the energy sector.

With its budget of 8 MSEK, the one and only KTS project in Mozambique claims a minor part of the total Swedish aid budget to Mozambique (about two percent). Yet, when successful, such projects may assume a more important role.

5.3 KTS Characteristics in Mozambique

5.3.1 Support to the National Power Utility of Mozambique

In Mozambique only one KTS project has been financed so far. This chapter discusses the way in which the KTS characteristics have been

²¹ The support to the energy sector had formerly had its own budget with major commitments for longer time periods (up to three years). The Consultancy Fund (PK fund) is normally used for short term financing of staff or very short, temporary projects. It plays a role as KTS source of financing only in Botswana and Mozambique.

applied in that single project. Before discussing the various characteristics, some background information on the project will be provided.

The KTS project concerns support to the national power utility of Mozambique: the Electricidade de Moçambique (EDM) provided by Swed-Power International AB, a Swedish consultancy firm, wholly owned by the State through Vattenfall AB. The KTS project started in April 1999 and will end in March 2002. EDM has requested to extend the project up to June 2002. Sida's contribution to the project has been 8 million SEK with a cost-sharing of the local partner of 20%. The project is financed through the Consultancy fund (PK fund).

Sweden has supported the energy sector in Mozambique since the late 1970s, largely through support to EDM in the framework of the country programme. The national power utility, EDM, was a state body until it was transformed in 1995 into a public enterprise under performance contract with the government. EDM owns the national transmission system and is also the dominant actor on the distribution side. In the past decade, the main objective of Sida's support was to assist EDM to develop the capacity to plan, operate and maintain its power plants, substations and network. Training formed an important component and resulted in an internal training centre.

As mentioned before, the country strategy for Mozambique for the period 1996–1999/2000 stipulated that the Swedish support to the Mozambican energy sector should be phased out. In addition to the reasons mentioned above, it was also assumed that by the end of the period EDM would have the required skills and capacity to manage the planning, operation and maintenance of its power plants and transmission and distribution facilities.

In 1999, when the technical assistance support under the country programme came to an end, the Swedish Embassy in Maputo considered EDM eligible for support in KTS form. EDM was said to have the right people and to have sufficient own resources for cost-sharing. After all these years of co-operation they were expected to be able to manage a KTS project. It was considered a good possibility to experiment with the use of KTS type projects in Mozambique.

The main components of the KTS project, which were mainly the continuation of existing, pre-KTS support, are:

- Loss reduction programme
- Strategic support for the Southern African Power Pool negotiations
- Power system (transmission) planning
- Operations assistance

The main reason for continued support to EDM stems from the changing environment in which EDM operates. In addition to technological developments, the sector is undergoing a liberalisation process while at the same time regional developments in Southern Africa put new demands on EDM's negotiating skills and analytical capacity. Thus, although the long support-relation has improved EDM's competence, continued support was deemed necessary. The new country strategy, starting January 2002, opens the possibility for continued support to the energy sector and EDM through its emphasis on rural electrification.

5.3.2 KTS Characteristic of the EDM Project

Table 4.2 presents the scores of the EDM project studied in comparison with the projects in Botswana. The table serves as a reference point for the discussion that follows. Both the local partner and the Swedish consultant were aware of the KTS type of aid. However, in actual practice neither the local partner nor the Swedish consultant perceived a clear difference between the KTS form and earlier forms of co-operation under the country frame, apart from the cost-sharing.

The Swedish Embassy considered this KTS project as an experiment to learn if the KTS approach, e.g. cost-sharing, could also be applied in other cases. Because the project was financed through PK funds, the Embassy could decide by itself on the project extension, which provided continuity until a new proposal would be approved.

5.3.2.1 *Content of the Co-operation*

The co-operation consisted of consultancy and transfer of knowledge. In the previous non-KTS projects with the LPO training has been an important element.

5.3.2.2 *Contract Power and Its Use*

The contract is based on the Sida contract model. It is quite elaborate because it includes a large number of attachments specifying ToR, budget, manning schedule, general conditions etc. The Swedish consultant commented that he had used the contract to bind the LPO to its obligations. Yet when investigating the contract, there was nothing special in it and when asked at a later occasion, the Swedish consultant was quite happy anyway with the co-operation.

The LPO is aware that there is a contract, but does not attach special importance to it. It is a result of a long-term technical assistance relationship, in which things are done on the basis of trust and gentlemen's agreements. Furthermore, there was no reason for the client to use the contract, because it is very satisfied with the consultant. No tendering has

taken place for the KTS contract. The local partner continued to use the same consultant on the basis of its positive experience with the consultant in previous projects.

5.3.2.3 Demand-Driven

The idea for the continuation of the co-operation came from the LPO. The project proposal has been written together with the consultant. The local partner assigns high priority to the project, as the project's main activities are considered to be in the core business of the company. This in contrast with rural electrification, which is more a priority of Government (and of Swedish aid) than of the company as such. If Sida had not financed the KTS project, the LPO would have looked for other possibilities for funding. This characteristic is also summarised together with the Botswana projects in Table 6.1 on ownership since the KTS characteristic 'demand-driven' closely relates to 'ownership of objectives'.

5.3.2.4 Cost-Sharing

Cost-sharing can be described as low to medium (20%) with EDM paying for most of the local costs. Since EDM was moving towards profitability, this level of cost-sharing was considered appropriate. Cost-sharing is seen by the Sida desk officer and the person interviewed at the Swedish Embassy in Mozambique as an important characteristic of KTS. However, neither the local partner nor the Swedish consultant perceived a clear difference between the KTS form and earlier forms of co-operation under the country frame. But, since also other donors have cost-sharing, KTS was not considered to be a very special form of aid-financed co-operation.

The Swedish consultant considered other characteristics of the relationship of more importance to ownership; these include competence, commitment and the relation of trust between the consultant and EDM.

In contrast, the Swedish Embassy saw in cost-sharing an interesting possibility to test the commitment of the organisation to the project objectives.

The project manager from EDM did not consider cost-sharing as an incentive to be more critical about the performance of the consultant. It was added that if cost-sharing would go up to 50 percent he would most likely look at it differently. In any case, it was argued that (the degree of) cost-sharing was not important for the feeling of ownership.

5.3.2.5 Limited Projects

With its duration of two years and an extension of several months the KTS project itself might be called limited. However, the KTS project is a continuation of a long-term co-operation between the consultant and the

local partner funded by Sida/Sida, which started in the late 1970s. Moreover, the local partner and the consultant are already preparing a proposal for a new KTS project. The financial volume is also not very small. Therefore, the KTS characteristic of limited projects does not really apply.

5.3.2.6 Sida's Role

Sida's role seems to have been rather active (compared to the norm of the hands-off approach of KTS), especially in monitoring. There are regular annual reviews during which the project is discussed. Sida staff members come from Stockholm to Mozambique to participate in these reviews. There are issues that the local partner discusses directly with Sida, e.g. the future co-operation, and other issues that they bring up through the consultant. The consultant informed us that he has regular telephone contact with Sida. He considered this active participation of Sida useful and supportive.

It seems that there were some discussions of the KTS project proposal. The issue of gender was discussed between Sida and EDM in the pre-KTS co-operation. EDM itself has shown a keen interest in the issue. A gender policy has been put in place with Sida support, and EDM has one female board member and several female engineers in top positions as well as other technical personnel.

5.3.2.7 Competent Partners

In terms of technical competence, EDM offers a mixed picture. Within Mozambique it is considered as one of the few most competent organisations. On the consumer side however, there are quite a number of complaints. Power cuts and voltage fluctuations regularly occur. Recently electricity prices have gone up by about 18 percent, on top of an increase of 20 percent last year (far above the inflation rate). Technically, most observers consider EDM competent. Starting in 1995, the Loss Reduction Programme has pushed back revenue losses from 40 percent to 20 percent. Since 1998, EDM has become a profitable organisation. EDM still lacks competence in specific fields, such as the capacity for negotiation with the Electricity Utility of South Africa (ESKOM), particularly in the fields of financial, economic and legal expertise.

In terms of organisational competence, the local partner said that over the years of co-operation they have learned much in terms of management and control of projects and consultants. Towards the end of the eighties, Sida and SwedPower passed on more responsibility to EDM. Sida has sent people to train EDM staff in becoming a client and employer.

It can be added that EDM and SwedPower have been co-operating over such a long period that it is difficult to fully assess EDM's competence in

managing the consultant. There is a relation of trust, in which disagreements are worked out through open discussions. Project management is provided by the resident representative of SwedPower, who has an office in EDM premises. There are no formal co-ordinating committees. With day-to-day contact and weekly meetings there is no need for formal structures. The final responsibility for the project lies with an executive member of the Board of Directors.

5.3.2.8 Swedish Consultant

The local partner describes the consultant as very competent. Not only transfer of know-how is important in this respect, but also their work attitudes and human relations. These are considered excellent. Through the aid-relation, the consultant has been able to establish itself in the region and obtains finance from different sources. The resident consultant acts as project manager and identifies closely with EDM and its staff. The KTS support is reported to have resulted in better conditions of trade with the co-operating partners in the region, especially ESKOM.

It is interesting to note that the consultant considers it crucial for the effective support to have resident advisors instead of only visiting advisors. In this case Sida and the Embassy do not seem to have opposed the presence of resident advisors. However, in Botswana there was one example where the proposal for a resident advisor was refused, as it was considered not in line with the KTS requirements.

Chapter 6

KTS, Context and Ownership

This Chapter discusses the specific findings on ownership (Section 6.1), while Section 6.2 relates these findings to the characteristics of KTS projects (as discussed in Section 4.2 for Botswana and Section 5.3 for Mozambique, and further developed below in Section 6.2.1). The logical relationship between characteristics of KTS projects and ownership will be highlighted and the influence of the local context assessed, based on a characterisation of the local context along four dimensions. This will lead to conclusions about planning KTS projects in different local contexts (Section 6.2.4). The wider implications of these findings and conclusions will be drawn out under the heading ‘Ownership as Metaphor and Beyond’ in Section 6.3, focussing again on stakeholders and their incentives and on the notion of ‘co-ownership’ in relation to that of ‘partnership’.

6.1 Specific Findings on Ownership

As discussed in the Inception Report, ownership is not static, but must be established and maintained. Historical developments in and around projects shape the degree and form of ownership. Of the six KTS projects studied, four evolved from a long-term, non-KTS, relationship between Swedish aid, the Swedish consultant and the LPO, with only the last phase formulated as a KTS project. One of the other two projects was finally formulated as a ‘first-time’ KTS project after a period of uncertainty, while the other project has only recently started its implementation phase. Abstract or objective conclusions on KTS projects ‘as such’ are thus difficult to substantiate and the following discussion and conclusions on ownership will have to take this into account.

Table 6.1 below summarises the findings on ownership for all projects studied in Botswana and Mozambique.²² Generally, ownership has been high whatever the definition used. Ownership of objectives and outputs were high in all cases even where ownership of formulation and relationships with Sida were more mixed.²³ Shared responsibility for formulation

²² Refer to Section 2.2.3 for critical comments on the use of such summary tables.

²³ Our findings on ownership largely correspond with the perceptions of the desk officers interviewed at Sida.

and implementation was the rule. Only the BAU project could not be assessed in terms of ownership of output because the output has not yet materialised.

6.1.1 Projects in Botswana

As explained in Chapter 3, the projects in Botswana pass through the national planning system, where they are scrutinised for their appropriateness. This system functions well and is able to steer foreign aid in the right directions. Thus, the national planning system itself already acts as a screening device for projects with high local ownership.

Generally speaking, the Department of Surveys and Mapping, Botswana Telecommunications Authority and Botswana Power Corporation seem to be in control of most aspects of the project. Making further distinctions between them in terms of the general degree of ownership would be speculative given the limitations of the summary and the type of evidence used to fill in the boxes in the matrix. Yet, and quite naturally so, differences exist between these organisations not only in terms of the various aspects/phases of ownership identified but also in terms of the historical process by which they have reached the current state of affairs with regard to ownership relationships. Because of these history-specific factors, ownership means something different for each of them. In this way, the perception of ownership is filled with history.

For both the Department of Survey and Mapping and the Botswana Telecommunications Authority the transition from one form of aid to the other (from programme-related aid to the KTS form) did not cause much confusion or disruption, as the continuities were stronger than the changes. After all both of them had a long-standing aid relationship with involvement of the same consultant. This was different for the Botswana Power Corporation as will be detailed below and in Annex 1.2 with the full case study, whereas for the Botswana Agricultural Union this particular problem does not arise given the recent start of the project.

6.1.1.1 Department of Surveys and Mapping (DSM)

An elaborate description of the co-operation between Sida, Swedesurvey and the Department of Surveys and Mapping is given in Annex 1.4 of the Appendix. Ownership relationships built up over a period of more than ten years of Swedish aid co-operation through the Swedish consultant. DSM carried out two KTS projects. One, the Integrated Geographic Information System, is functionally located at the very core of DSM. As such, the high degree of ownership that was found for outputs and objectives was to be expected. The other, the production of the National Atlas is aimed at producing a once-off output rather than addressing a

core competence of DSM. Even so, strong linkages exist between this project and GIS and with technological learning (i.e. improving competence). Also here, a high degree of ownership of output and objectives could be observed. DSM has pushed this project (including the PC version of the atlas) all along against the initial reaction of Sida and Swedesurvey. To the evaluation team, DSM argued that the National Atlas was supported nationwide, involved only Botswana scientific contributions (with one exception), and moreover, was beneficial for DSM in that it showed to the world outside DSM the advantages of DSM having and improving a GIS.

More special was the high degree of ownership of project formulation and the management of the relationship with Sida. The driving force for these aspects of ownership was judged by the team to be in the personal capabilities of the project manager. Under his initiative, for example, drafting project and tender documents, including legal aspects, is done in house. Moreover, he has been keen to maintain personal relationships with Sida.

Given the long-standing and excellent relationship with the Swedish consultant, project implementation in terms of management and monitoring has been a joint affair. This is just a sign of success of the co-operation and not of weakness of the managerial capacity of DSM.

6.1.1.2 Botswana Telecom Authority

Annex A.3 describes how the involvement of the Swedish consultant in the telecoms sector in Botswana started in 1994 and has continued until the present. Initially, the co-operation between the Swedish consultant and Botswana Telecommunications Authority (BTA) focused on the very creation of BTA. Already during this phase, a strong manager provided leadership over the establishment of the BTA using the inputs contributed by the Swedish consultants. With start of the KTS project on strategic marketing the ownership relations between the Swedish consultant and BTA were already established. The Department Market Development and Analysis, where the project was located within BTA, is the Strategy department. The project's aim was to further strengthen BTA by focusing on this core department. Thus, in terms of organisational priorities, the project co-operation was right in the centre of importance to live up to the next set of challenges posed by BTA's own developments within the Botswana telecom market. Ownership of the project objectives in this phase was thus guaranteed, while the ownership relations between the consultants and the management in the implementation of the project continued as before, e.g. in a co-operative and shared manner.

Sida's specific objectives of gender equality entered the project at a later stage. While these particular objectives were not out of line with BTA's own philosophy on gender equality, the organisational location of these concerns (strategy department), the form they were put (equal gender opportunity within the organisation and not the gender impact of the telecom policy) and their timing (management had more urgent tasks to deal with), implied that the manner in which these objectives were stressed was not fully shared by BTA and the Swedish consultant but were rather seen as primarily Sida's concern.

6.1.1.3 Botswana Power Corporation

As described in detail in Annex A.2, the Botswana Power Corporation faced the most complicated project arrangement. It was its first aid project with Sweden. It had to operate two simultaneous contracts, one with a firm to deliver hardware, the other with a consultant managing (under the KTS project) the hardware supplier. In addition, it faced changes in Sida's conditions (BITS/Sida transition and the loss of programme country status) and changes in the organisation of its KTS consultant. Despite all these changes affecting a single contract, they managed very well to bring this project to a reasonably successful end. The specific project objectives (installation of an automated power control system) were very much part of the technical core of the organisation. In fact, BPC is considering a new update (purchased from own resources).

This KTS project is one of the few where actual disagreements existed between the LPO and the Swedish consultant. This gave more insight into the actual relationships within the consultancy relationship and gave rise to different perspectives on ownership (and competence) by different parties. The Sida desk officer considered this a project with lower ownership, while the Swedish consultant considered that organisational competence had declined over time. Yet, after the field interviews the evaluation team concluded that ownership was high and demonstrated by the actions undertaken by BPC to make this project a success.

In contrast with the other projects, ownership of implementation in terms of management and monitoring was high and less 'shared' with the Swedish consultant than in other projects. This is interesting since this is also the only project in this field study without a long standing relation with the Swedish consultant (apart from BAU, which has just started). Ownership of implementation in terms of managing the relationship with Sida was judged to be medium (M), where much of this relation was managed by (and through) the Swedish consultant, as was the case with BTA (also M), but not with DSM (H) and EDM (S). This is not necessarily a bad thing as it can be a convenient solution when the relation between the Swedish consultant and the LPO is smooth. However, when

this relation is less smooth, it may give rise to further complications and stimulate the perception of the LPO that the aid given is not their own (as distinct from the actual physical implementation of the project). At the same time, it may be an indication or even a consequence of the less than optimal relation.

6.1.2 The EDM Project in Mozambique

Annex A.5 summarises the reconstruction of the project history the EDM project in Mozambique. Since the late 1970s Swedish aid, through Swed-Power and its assistance to EDM, has supported the energy sector in Mozambique both through assistance in physical infrastructure projects and technical co-operation. Gradually, the technical and administrative competence of EDM has been built up.

The current KTS project is an extension of this long-term co-operation in a number of fields that are of crucial importance to EDM, in particular the loss-reduction programme and strategic support to EDM in its involvement in the regional power arrangements and negotiations in the context of the Southern African Regional Pool. Again the importance of these fields to EDM (even measured in terms of its own financial performance) contributes to an explanation of the high degree of ownership of objectives and outputs.

The Swedish (long-term) representative has an office in EDM and works closely together with the project manager through daily contact. All important decisions are taken after discussion between the manager and the Swedish representative. There are no formal procedures with regard to decision making between these two persons during implementation and the project manager of EDM remains very much in control of the project.

Table 6.1: Ownership in KTS projects in Botswana and Mozambique

Project	Phase	Ownership ⁽³⁾				
		Objectives ⁽⁵⁾	Formulation	Implementation		Outputs
				Relations with Sida	Management & monitoring	
Botswana Agricultural Union	I	H	M-H, S, PS	n.a.	n.a.	n.a.
Botswana Power Corporation	I	H	H, S	M	H	H
Botswana Telecommunications Authority	III ⁽¹⁾	H	M-H, S, PS	M	S	H
Department of Surveys and Mapping, GIS	IX ⁽²⁾	H	H	H	S	H
Department of Surveys and Mapping, Atlas	X ⁽²⁾	H	H	H	S	H
Electricidade de Mozambique	>X ⁽²⁾	H	S	S	S	H

Notes on Table 6.1:*(a) General*

- All the assessments in the table are with regard to the current or most recent phase of the respective project. This is important because, in many projects, and as indicated elsewhere in this report, in several cases there has been an evolution of ownership. Moreover, previous phases were often not in KTS form.
- Except where otherwise indicated, the assessments of ownership in the table concern primarily the LPO.
- Ownership taking as starting point other stakeholders could also be distinguished: Sida, Sida's desk officer, the consultant, the organisation providing the consultancy, national planning system, parent ministry.

(b) On specific entries:

1. Depending on what one counts as phase. The Swedish consultants were already involved in two previous contracts in the telecommunications sector. However, when only the BTA is taken into account, there was only one previous phase.
2. There was a whole string of projects, from general institutional strengthening to more specific co-operation. A lot depends on how one counts. In any case there were 'many' previous phases.
3. The question of exactly who owns must still be addressed. It may be the board, the project manager, or the whole department where the TA is received. In addition, which elements are owned require further specification.
4. Since KTS project deal basically with technical assistance projects, project outputs refer to the transfer and development of knowledge (the knowledge output), and to organisational changes (in terms of work practices, work culture, and organisational form).
5. 'Ownership of objectives' closely relates to 'demand-driven', with the latter a more active concept.

Table 6.1 shows that there are grounds to say that EDM and the Swedish consultant have been working even more closely together than in the BTA and DSM projects in Botswana. In fact, the management of the project was in the hands of the local representative of SwedPower acting under the authority (gentlemen's agreement) of the executive director. The project manager of SwedPower has his own office in EDM close to his EDM counterpart. This is the result of a pragmatic arrangement and a long-term co-operation resulting in a relationship of trust. But despite the important role of the Swedish consultant, EDM was the clear and proud owner of project objectives and outputs. In a certain way, EDM owned the project manager as well.

6.2 General Findings: Planning for Ownership

6.2.1 Most Important Characteristics in KTS Projects

Looking at the total of KTS characteristics, four of them seem to have been of overriding importance for ownership and success of the projects: (a) technical assistance, (b) the demand-driven nature of the projects, (c) competent local organisations, (d) competent consultants, whereas another two were important but in an unexpected manner. These were: (e) the possible sequential nature of a number of projects, individually limited in time and objectives (rather than just once and for all, for a limited period), and (f) the hands-on role of Sida (rather than hands-off).

Ad (a): Technical assistance projects do not carry many incentive goods with them. In other projects, cars and computers often act as important motivations for project applications. Without such incentives, KTS (technical assistance) projects must be really important to the local organisation to be proposed. Thus, the absence of physical/hardware assistance from KTS project already acts as a first selection mechanism for assuring ownership.

Ad (b) and (c): Conclusions on the demand-driven nature were to a large extent established by comparing project objectives with organisational priorities. It was found that most projects dealt with core competence issues. Core competence issues fall into two broad categories: technical and organisational competence. These two categories cannot be fully seen in separation since a new technology will often require changes in organisational capabilities and improved organisational capabilities will enable the organisation to move to higher levels of technological competence. In other words, project outputs can be described in terms of improvements in the core-competences of the organisation.

This implies three things: firstly, given the objective of improving competence, the LPO cannot be labelled competent in the static sense of the word. If so, no aid projects would be required. The organisation has achieved a certain level of competence in its core areas and is on its way to higher levels by means of, amongst others, the project.

Secondly, the project has to set its targets for improving the organisation's competence with the initial level in mind. Obvious as this may seem, there are implications for the nature of co-operation in terms of (1) duration and (2) content.

(1) Building up an organisation's competence is a longer-term undertaking. The sequence of smaller projects in many cases underscores this point. It allows the co-operating partners to build up trust, understand complementarities and identify priority areas in need for improve-

ment. The only case where a stand-alone project was implemented (BPC and SwedPower) gave rise to poorer relationships and less than optimal project performance despite BPC's efforts.

- (2) The content of the co-operation shifts over time from more basic organisational and technical skills to more advanced issues.

Thirdly, the core-competences must be clearly identifiable. Most projects deal with professional organisations both on the side of the LPO and the Swedish consultant. For professional organisations there are clear views of what competence means, in terms of technological competence and organisational capability.

Ad (d): The competence of the Swedish consultant is important in terms of professional competence, work attitudes, and ability to work as a development agency. The consultant is not there to do just a technical job applying his/her expertise to a case, but has to work as an organisational developer in a development context providing technical standards as well as (work-related) ethical standards.

For the Swedish consultant, the selection process thus involves not only selection of partners but also selection of projects (e.g. the particular content): local organisations that can own and project outputs that are easily owned. As in other country studies, also in Botswana and Mozambique the longer-term co-operation led to the development of a trust relationship whereby joint responsibility for, or ownership of, the project developed in a harmonious manner. Rather than the limited nature of projects, it is precisely the possibility of longer-term co-operation by a sequence of contracts (whatever their modality) when coupled with moments of evaluation and control by Sida, that gives rise to this behaviour.

Ad (e) and (f): These two characteristics taken together provided for incentives to perform during a particular project phase, when new project phases could be expected.

Moreover, apart from the formal KTS characteristics, this evaluation considered a number of other factors, often found in KTS projects, that are also important in relation to ownership. In particular these were:

- (g) The role of the project champion: one person, normally the project manager, as driving force within the LPO.
- (h) The limited scope of the project objectives: not only were most projects limited in terms of time and finance, also the scope of the projects was limited and well defined. Or, in other words, projects were easy to own.
- (i) The selection of professional LPOs: for professional organisations the knowledge output is clearly defined and common professional stand-

ards facilitate transfer of knowledge; professional pride facilitates ownership of objectives and outputs by those involved.

- (j) The focus of the project intervention on core competences of the LPO: by this focus on its core competences, the project is also directed towards the very identity of the LPO. By aiming at improving core competences, the project objectives are owned almost by definition, while the knowledge outputs will be readily absorbed.

Ad (g): Ownership still begs the question of ‘who owns’. A lot has been said about this in earlier reports drawing distinctions between individuals and organisations and different phases and elements of projects. However, in all projects studied, it appears that on the side of the LPOs a strong project manager, personifying the organisation if one wishes, is of crucial importance for steering the project, the consultant and the aid process in general. Indeed, ‘project champions’ are needed and must be empowered through organisational facilities such as status and high-level support, in case they do not have those themselves by virtue of their position (in most projects there were in fact ‘project champions’ with high status).

Ad (h), (i), and (j): These three (‘unofficial’) characteristics combine into projects that have a high chance of success because the objectives are clear, the instruments and specific target can be well defined and they are within the acknowledged field of competences of the LPOs

Thus, KTS characteristics selected the content of assistance with higher likeliness of ownership (through technical assistance), and ensured (i.e. selected) areas of assistance with higher likeliness of ownership (demand-driven). This was further strengthened by the design of concrete projects (by consultants and local organisations) in terms of concrete, limited activities in the field of the core competences of the receiving organisation (a combination of demand-driven projects and competence of local organisations and consultants). Below the relation between selection, design and causation of ownership in projects is developed further.

6.2.2 Selection, Design and Causation: the Logic

A distinction can be made between different ways in which KTS and non-KTS characteristics influence ownership (see Figure 6.1). To start with, already before project conception, the nature of the aid form 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’. However, the nature of the organisation and project, once involved and selected, will influence the development of the project at later stages (dotted curved arrows).

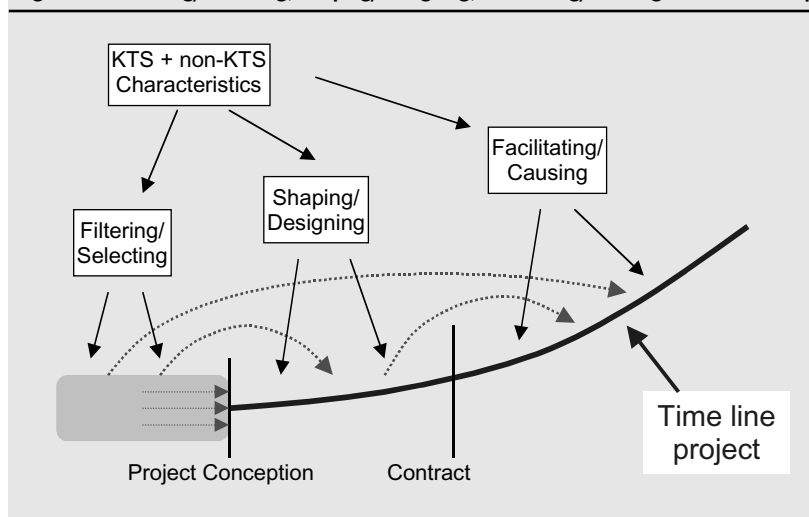
For example, because of the nature and practice of KTS, only technical co-operation projects will be selected (filtered), even before a specific

project is conceived. However, once applied in this manner, the fact that technical assistance projects have been selected/filtered will influence and affect the ownership possibilities in later stages (formulation and implementation) of the project, because of the problem of the LPO not quite knowing what the organisation wants to know (requiring the insights of the Swedish consultants), the specific management problems in knowledge transfer processes and the specific meaning of ownership of knowledge and expertise.

In the project design stage, further elements are added such as the specific focus on core competences. Once designed in this form, these factors, together with those from the selection/filtering (pre-project-conception) stage, facilitate/cause ownership in the implementation stage.

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

Figure 6.1: Filtering/Selecting, Shaping/Designing, Facilitating/Causing Local Ownership



Note: The dotted arrows indicate the longer-term impact of the characteristics after their initial impact (solid arrows).

6.2.3 Selection, Design and Causation: the Direction of Effects of KTS Characteristics

Having clarified the logic of interaction of KTS characteristics, the discussion will now focus on the direction of effects of all KTS characteristics identified (including the ‘unofficial’ KTS characteristics listed in Section 6.2.1 above). Although the direction and presence of effects can be

asserted with a certain degree of confidence, it is not feasible to derive a measure of strength of the effects given the nature of the investigation.

Thus, following the logic of the previous section, by being part of the KTS selection criteria in the early planning phase (even before project-conception) some of the KTS characteristics select potential ownership:

- Competent LPO: selecting high capability to own;
- Technical co-operation: removing distractions to own (absence of material support) and selecting the probability to own (by allowing clear definition of relevant knowledge transfer);
- Competent Swedish consultant: selecting consultants that facilitate possibility to own;

When projects are designed in detail, the 'official' and 'unofficial' KTS criteria further select, shape and design possible effects on ownership:

- Cost-sharing: confirming/detecting the motivation to own;²⁴
- Demand-driven: ensuring the motivation to own;
- ('Unofficial') Limited scope of projects: designing the possibility to own;
- ('Unofficial') Core-competence: ensuring the motivation to own.

In the project implementation phase, the same characteristics in combination with others are more actively creating ownership:

- Same characteristics as above: stimulating, establishing and maintaining ownership
- ('Unofficial') Possibility of long-term projects: sustaining motivation and incentives to own
- ('Unofficial') Sida's hands-on approach: sustaining motivation and incentives to own
- ('Unofficial') Swedish consultant actively enabling local ownership: competence, flexibility and commitment
- ('Unofficial') Project Champion: effectively embodying the organisational capability to own.

The following KTS criteria were found to be less relevant for affecting ownership one way or the other:

²⁴ In these country reports the effects of cost-sharing were found to be ambiguous in terms of its relation to ownership. In other country reports it was sometimes even considered irrelevant. In any case, cost-sharing is not typical for KTS projects and in practice there is considerable variation and flexibility in the degree of cost-sharing.

- The relation of cost-sharing to aspects of ownership was at most ambiguous with only in a few cases an acknowledgement by an LPO of a more critical attitude (ownership of processes and output, e.g. value for money) towards Swedish consultants with high degree of cost-sharing. The practice of cost-sharing was very flexible, ranging from no cost-sharing at all (including a case of cost-sharing paid by another national institution) to the rather high cost-sharing of all local costs and 50 percent of all foreign costs.

This ambiguous result is at least surprising as cost-sharing goes a long way to measure the willingness to pay by the LPO which is widely seen as an expression of demand. This indeed was the expectation of most Sida officers as discussed with the evaluation team.

However, the cost-sharing criterion is not used in isolation. All the other KTS characteristics mentioned above are also active at the same time, enhancing the chances for strong ownership and good results. In other words, there is a certain degree of redundancy in KTS characteristics. This redundancy is very useful to ensure ownership and good results in the risky environments of project assistance. But it is precisely this redundancy that reduces the individual importance of KTS characteristics, including cost-sharing.

- In the country studies the contract did not feature as an important factor in relation to ownership. First of all, contracts are not specific to KTS projects but are normal practice in the aid world. The LPOs did not perceive the possibility to use contract power as empowerment towards the Swedish consultant, also given the problems of (in many contracts) having to go to court in Sweden or another foreign country.²⁵
- Competitive bidding is seen as a threat to the important role of the consultant in initiating and formulating projects. In the long run however, with more competent LPOs more competent in project formulation and more knowledgeable of aid conditions and networks, the LPO may work the circuits by itself and competitive bidding may gradually replace current practice. In some cases this is already happening as experience in Botswana has shown, with some LPOs playing a stronger role in managing the Sida relation, approaching other donors for support, and directly entering contracts with private sector consultants.

Whereas the logical, potential and actual relations between KTS and aspects of ownership have been clarified above, the missing ingredient for

²⁵ Although not as instrument for empowerment, the contract did play a role as terms of reference for each partner.

understanding the success of KTS projects is the tight relation between the LPO, the Swedish consultant and Sida. This relation can be described as co-ownership (or joint result orientation or partnership, see Section 6.3.2), whereby each partner is motivated by his own set of incentives towards achieving project success (as defined according to their own criteria).

6.2.4 The Influence of Context

By evaluating two countries simultaneously the context in which KTS projects are applied could be studied in a limited manner. However, given the need for historical understanding, there are difficulties in comparing contexts even on issues such as privatisation, public sector performance and even in countries belonging to a same grouping (whichever way defined) such as in this case Sub-Saharan Africa, or Southern Africa. These difficulties will increase when using those identified contextual differences for comparison with the way projects (which themselves are context specific) have performed in terms of KTS characteristics and ownership issues.

For the purpose of discussing context in connection to ownership, four dimensions of the context can be identified:

- The degree to which state and civil society are mutually supportive;
- The degree to which the national planning system can cope with donor initiatives and, relatedly, the degree to which individual LPOs perceive aid as part of the national context or as a special relation they can themselves entertain with the donor;
- The general level of institutional development;
- The degree to which personal and organisational interests coincide in private sector and government institutions and organisations (in other words: degree of corruption).

In rather broad terms, the higher these degrees, the less risky the environment for KTS projects, and the lower is the simultaneous need for all ownership enhancing KTS and non-KTS characteristics to realise successful projects.

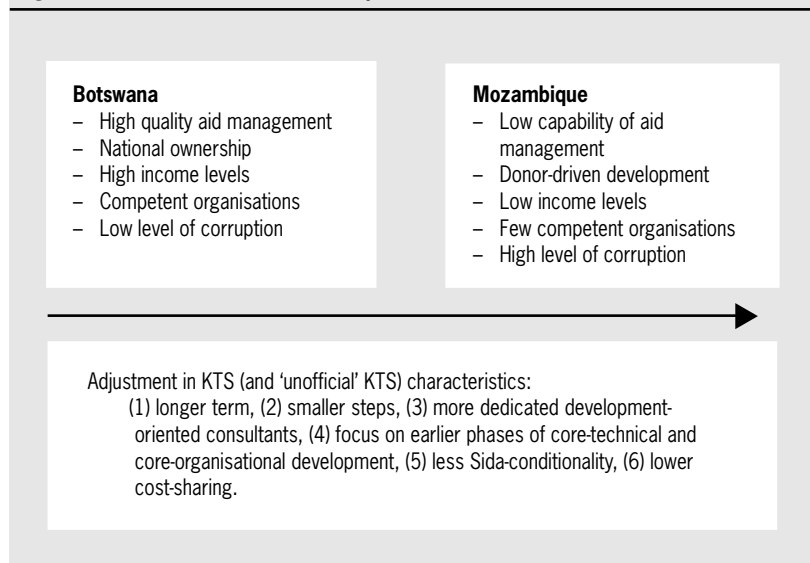
More specifically, based on the previous sections, the following tentative lessons have been derived for fostering ownership in projects. The particular local context in which projects are prepared will influence the emphasis put on each of them.

- Focus on professional organisations (common standards, experiences, and values);
- Projects should focus on incremental improvements in technical and organisational core-competences in a manner that can be absorbed by the local organisation;

- Projects should take a long-term view even though formulated as short or limited projects (time-wise) with explicit moments of evaluation;
- The role of the consultant is extremely important and his commitment to strong local ownership and transfer of expertise must be guaranteed through project procedures;
- Long-term resident advisors are important for transfer of corporate and professional values;
- The projects should be clearly demand-driven;
- A clear assessment should be made on the level of corruption in the organisation and the intentions/capabilities of the management to do something about that;
- The degree of cost-sharing is not the most important parameter for ensuring ownership but it may provide for an additional test. In any case, the degree of cost-sharing should be measured against the capability to pay.

Figure 6.2 below illustrates the above considerations. For a number of reasons, the degree to which the contextual dimensions summarised above apply in Mozambique is lower than in Botswana and, arguably, Mozambique can be considered a more risky environment for project interventions. Therefore, to achieve ownership and success through ownership corresponding adjustments must be made in applying KTS characteristics.

Figure 6.2: Context, KTS and Ownership



To measure or even rank countries on one and the same scale (summarizing the above selected contextual variables) is of course impossible given the fact that at least four dimensions have been identified, each with their specific meaning within the respective historical context of the individual countries.

The national context of Botswana is more conducive for professional organisations to foster than in other parts of Africa, given Botswana's high level of income, low levels of corruption and a stable political environment. KTS has been successfully applied as an aid instrument for managing the transition involved in the abolishment of the programme country status. Local organisations were however hardly aware of the differences between KTS and other aid forms. Managing the transition thus appears largely as Sida's problem. In Mozambique, competent organisations are developing and make strides towards higher competence. When special attention is given to select motivated professional organisations KTS type projects (of the hybrid form suggested above) and longer-term relationships of trust with consultants can be developed to achieve positive results.

6.3 Ownership as Metaphor and Beyond

This Section will return to some of the analytical issues on ownership. The term 'ownership' was said to be a metaphor borrowed from the individual level and applied to organisations. Individuals can own (feel responsible for) projects in a manner that organisations cannot. It is mostly through individuals that organisations act. Thus, Section 6.3.1 will focus on the relation between individuals and the organisation (Two new in the context of this report) concepts will be introduced, 'embodiment of ownership' and 'corporate culture', the first one to link the organisation to individuals, the second to attribute individual qualities to the organisation. These concepts will be useful in relating the discussion on ownership to that on partnerships through the concept of co-ownership (Section 6.3.2). Co-ownership can only be understood with reference to the incentive structures as they have been shaped by the KTS project context. In comparison to previous chapters, some of the conclusions reached in this section are at a higher level of abstraction while at the same time more tentative, drawing on intuitive interpretation of findings rather than hard logical derivation from concrete evidence.

6.3.1 Embodiment of Ownership in Organisations

This evaluation has emphasised that ownership by organisations must be understood in the behavioural sense as expressed by activities of the organisation that resemble those of an owning individual. Ownership was defined as, at most, a useful metaphor. This was a rather dry approach

and did not leave much space for intuitive understanding. After all, individuals do the work in organisations, and to bring more flesh into the argument the discussion will focus on the way in which individuals were organised in the project context.

At the surface, a diversity of organisational arrangements existed in practice. In nearly all cases projects had project managers (there was one case without a *de jure* project manager). Reference groups and steering committees were often part of the organisational set-up. In some cases the Board of Directors had the function of reference group. In others, the project manager reported directly to the executive director.

Yet, despite this diversity, in nearly all cases, there was a project manager (even in the exception mentioned above there was a *de facto* project manager) who was the driving force behind the project on the side of the LPO: the Project Champion.

The importance of this position can only be understood when referring to the nature of the projects undertaken. As previously discussed, many projects were directed at the core of the organisation, improving their core-competences, in some cases leading to organisational changes. Some projects in fact involved creating new organisations. Thus, the person leading this process of change was not only important to the project but also important for the organisation at large, providing the crucial link between them.

In many projects there were indications of a rather authoritarian style of management reinforcing the room for manoeuvre for the project champion. However, to argue from the prevalence of a strong project champion as organisational form to the existence of a specific local organisational culture in the sample countries studied would be pushing the limits of this evaluation.

Other organisational forms were also found. For example, in one case there was a project-coordinating unit outside the actual LPO. This unit had externally recruited personnel who, indeed, were highly motivated and in a sense owned to project. Yet the ownership of and identification with the project by the LPO suffered because of that with consequences for project sustainability.

The conclusion is that in organisational practice, the most effective and convenient form of organisation found was the personalised form of a project champion. In this sense, ownership of the project became a personal matter once again.

6.3.2 Stakeholders, Co-ownership and Partnership

Three Main Stakeholders

The complete list of close and distant stakeholders in and around development projects can be long. The network of relationships between them can be correspondingly complicated. Some analysts even refer to octangular relationships. For the purpose of this evaluation, three main stakeholders were identified, the LPO, the Swedish consultant and Sida. For most projects this was enough to understand the important processes in KTS projects.

In incidental cases the stakeholder situation was more complex: more than one consultant involved, including subcontracting arrangements, Sida's co-operation with multi-lateral institutions through trust funds, and important actors other than the LPO in the receiving country, with each of these cases giving rise to further complexities. But this was by no means the rule.

Of the three stakeholders, the role of the Swedish consultant has perhaps been most unexpected in terms of its involvement in virtually all aspects of the projects, with its commitment towards project success and its developmental role towards the LPO in terms of stimulating LPO's ownership and exemplary function in transferring work attitudes and ethos. As these (and other) country reports show, the Swedish consultant has a strong role in articulating the project idea, formulating and writing the proposal, handling the relations with Sida, implementing and managing the project and in facilitating absorption of the technical knowledge outputs by the LPO. In other words, the initiatives and expertise of the Swedish consultants are crucial in the whole process.

Unexpected as this may be, it can readily be understood when analysing the incentives at work. The Swedish consultant is the only stakeholder who makes money on the projects. Although some Swedish consultants have moved beyond this stage, in many cases their survival depends on continuity in the stream of Sida assignments. This dependency makes the Swedish consultants active in searching for potential projects (a) through initial Sweden/Stockholm-based training coupled with follow-up's for further project ideas and proposals, (b) through other contacts in the field, and (c) through project extensions, building on previous projects and relations with LPOs. And above all, it acts as an incentive for achieving success in the eyes of Sida and the LPO.

In this sense, the projects are consultant-driven: demand-driven yes but by the consultant's demand for projects in the general supply context of Swedish aid. Initially established in response to Swedish aid opportunities, many of the Swedish consultants have become institutionalised and dependent.

With this all-important role of the Swedish consultant, where does that leave the LPO and its ownership of the project? Incentives at work for most LPOs consist of achieving technical and administrative competence in the core areas of its organisation, the focus of most KTS projects studied. Ownership of objectives and ownership of outputs was invariably high indicating the strength of these incentives. Little evidence was found for incentives acting on individual motivations conflicting with organisational interests. Of course, short trips to head offices of the Swedish consultants and Sida may act as individual incentives; training in overseas countries is clearly an individual incentive but can be fully in line with what the organisation needs. Overall, in proportion to the total efforts spent in the KTS projects these types of incentives were found to be of minor influence. The technical assistance format of KTS projects (without material support) guaranteed that no such incentives could enter the decision making (without saying that all material commodity aid would necessarily act in that way).

The country reports showed that the LPOs develop a higher degree of ownership over time, firstly through the different phases of the project and secondly through successive projects in the project sequence. For new projects early in the (potential) sequence, ownership of the initial project phases was almost invariably low but increased in the implementation phase and was without exception (although, in rare cases, with qualification) high for the output. Generally speaking, when viewed in the project sequence, LPOs show greater ownership with later projects also in the earlier phases of these projects.

Thus, projects are demand-driven also by the demand from LPOs, and again, as with co-ownership, this is not necessarily contradictory with the demand of consultants (or for that matter with a notion of supply-driven, understood as the supply of projects influenced by the general aid context and availability).

Incentives for Sida to achieve project success are also high. Projects form the core of what they do and what they have to account for. First of all they have the responsibility towards parliament to spend taxpayers' money in an effective and efficient manner. More importantly, interviews in Stockholm showed that Sida is empowered by a highly motivated staff. Complications arise when Sida's priorities enter as conditionalities in project procedures and design. Project success can turn out to be less synonymous with the success as perceived by the LPO. This is where the incentives framework shows some contrasting tendencies.

Overall, particularly with project success and in the process of achieving results, the incentive structures for each of these stakeholders overlap, particularly in the situation where transaction costs stimulate continuing relations between LPO, the Swedish consultant, and Sida and the Swedish

consultant is dependent on Sida for further contacts. Interests are common at the highest level of project success. Interests are complementary for the specific meaning of the rewards (money and professional achievements for the Swedish consultants; increased competence for the LPO; and professionalism in aid management, effectiveness and efficiency in Sida). And all of this of course is oiled or even powered by Swedish grant money.

Within this triangle rival interests only occur when project success becomes qualified (as in some cases) or outright failure (not observed) and triangles of blame can be set in motion. In such cases the incentive engine starts to work in reverse and blame tends to be shifted to others rather than co-owned as with success. Perhaps the realisation of this negative possibility has led Swedish consultants, Sida and LPOs alike to go for clearly defined projects, limited in scope, time and duration and with clear decision moments for continuation when success was achieved.

Co-ownership and Partnership

This overlap and complementarity of incentive structures prepare the scene for the possible emergence for partnerships. But partnerships are more than incentive structures leading organisations and individuals in common directions. At the individual level partnerships develop through trust and continuity in commitment towards common goals. In many cases, this evaluation has indeed observed the mutual appreciation and common pride of project achievements typical for such partnerships.

At the level of organisations, these personal traits may become reflected into an organisational culture and practice. Several Swedish consultant organisations explicitly train their personnel into the corporate culture (even apart from the culturalisation that takes place in any case within organisations). Sida's culture of commitment provides the facilitating background for individuals to act committed and in their turn, at various levels, these individuals contribute to that culture.

The corporate culture of LPOs is formed while embedded in the national context with its own organisational cultures, practices and motivations and their interactions with individual practices. The influence of long-term interactions with Swedish consultants can assist in transforming LPOs by adopting work practices and attitudes otherwise not stimulated in the local context. A large number of interviews with both consultants and managers confirmed this observation.

In conclusion then, co-ownership and partnership was observed as a rule, despite the contradictions and inequalities inherent in aid: those of donor versus receiver, of competent versus less competent as teacher versus student. The contention of this evaluation is that this is in large part due to the incentives structure prevailing over a sequence of projects, to the careful selection of partners and projects, and finally to the commitment and quality of the Swedish consultants, Sida's staff, and indeed also of the LPOs.

7 Conclusions

Section 6.1 provided an overview of the empirical findings on the various aspects of ownership identified by this evaluation. One striking conclusion must be that across the two different local contexts studied the findings on ownership follow quite similar patterns. A second conclusion is that there is a strong correlation between ownership of objectives and ownership of outputs. Third, the evaluation found that the concept of shared ownership or co-ownership had to be introduced to adequately describe what was happening in practice. This was found particularly important for owning the implementation (management and monitoring) but also for what can be called a result oriented attitude shared by both the Swedish consultant and the LPO.

Fourth, Section 6.2 showed that the relation between KTS characteristics and ownership takes on different meanings depending on the specific characteristic and on the phase of the project, ranging from rather little relevance through ambiguous relations, relations by selection and design, facilitating relations, to a certain degree of causality.

Fifth, in addition to the 'official' KTS characteristics, further features common to KTS project were identified, which were labelled 'unofficial' KTS characteristics. These were the presence of a 'project champion', design of projects with limited scope, a focus on professional organisations, and a focus on addressing core-competences of these organisations. Ownership was seen to be facilitated (or caused) by (1) having a strong *project champion*, (2) the possibility of *longer term co-operation* rather than limited projects and (3) a rather *hands-on role* of Sida in terms of ensuring performance in the context of possible project extensions and new projects.

In one respect was Sida's role ambiguous when Sida's conditions on gender and remote areas were not owned by all local organisations (for some only initially). Although the general relevance is not debated here, for most projects these conditions could not be logically integrated into the main project objectives. In that sense they lived a separate life. In some cases the local organisation started to own these objectives as well and gave them a place in the organisation. For example, BTA allocated responsibility for this to a different department than where the project was located. EDM explicitly mentioned that they considered rural electrification much more a priority of the Government of Mozambique than of EDM itself.

The degree of cost-sharing has been an important issue in some cases (e.g. BPC, EDM, and BAU). High degree of cost-sharing (such as all local costs and 50 percent of foreign cost) seems to enhance the ownership of

projects particularly in terms of the assuming the role of employer vis-à-vis the consultant (perhaps at the cost of maintaining a relationship of trust). Yet, cost-sharing does not seem to be the most important aspect in relation to ownership (as confirmed by all project managers interviewed). After all, (the degree of) cost-sharing has not proven to be the crucial parameter for selecting local organisations and projects that score high on the dimension of ownership.

All these characteristics taken together were seen to exhibit a certain degree of redundancy in influencing (one way or another) local ownership and project success. While a certain degree of redundancy in instruments is important in risky environments, the individual importance of each of them is thereby reduced and at least obscured. For example, the relation of cost-sharing in terms of influencing local ownership was considered ambiguous (while in other country reports it was found irrelevant altogether). An explanation might be that because of the presence of other factors creating ownership (one way or another), cost-sharing could not be distinguished as a causal factor.²⁶

Sixth, the local context was analysed along four dimensions, emphasising the historical depth of each of them and therefore the undesirability to superficially generalise across different countries with respect to the relationship between the local context, KTS characteristics and local ownership. Referring to the above conclusion of redundancy and risk, the comparison of Botswana and Mozambique provided the lesson that KTS characteristics (both 'official' and 'unofficial') must be applied more carefully in the riskier project environment of Mozambique.

Seventh, in Botswana KTS seems to have been an appropriate form of aid as a final stage at the end of a long-term co-operation, during which the local partner has built up sufficient competence to identify priorities and define projects and to handle the relationship with the consultant.

However, the above conclusion does not imply that KTS would not be applicable to earlier stages in the co-operation. In fact, contract financed technical co-operation can be planned to involve a sequence of limited projects with clear focus on core-competences (technical and organisational) and in small steps in correspondence with the absorptive capability of the local organisation.

Chapter 6 also discussed the wider implications of this evaluation for the concept of local ownership. As mentioned above, ownership of projects, when studied from the point of view of different stakeholders, can be in-

²⁶ For instance, the Swedish Embassies in Botswana and Mozambique and Sida's desk officer for Botswana (previously involved in Mozambique) felt quite strongly that cost-sharing was rather important for local ownership.

terpreted as co-ownership, particularly with project success. This finding, in turn, led to a discussion on the relation between ownership and partnership. Thus as a seventh conclusion, it was noted that the incentive structures prevailing in KTS projects motivate each partner to cooperate towards project success (e.g. result orientation). This incentives structure was considered particularly strong with sequential, rather than one-off, projects for the LPO and with a lasting relation between the Swedish consultant and Sida (on the particular KTS project in question through a project sequence or elsewhere). In this context, the warning should be issued not to assign too much instrumental value to the aid form (KTS) as the main cause of local ownership and the result orientation. This type of discourse would dispose the LPO of its own rational and motivating force towards achieving ownership and success.

When studied in the field, KTS does not reveal itself as a philosophy, strategy, or even an approach. Rather KTS has revealed itself in practice as a bundle of instruments that can be (and actually is) flexibly used, as circumstances require. Section 6.2.1 has identified the most important KTS characteristics in practice. As summarised in conclusion five above and explained in more detail in Section 6.2.1, these included more than the characteristics officially identified in the ToR for this study and the Inception Report, and reviewed in Chapter 4 for Botswana and Chapter 5 for Mozambique. These characteristics taken together and the manner in which they are used constitute a behavioural definition of what KTS is in practice.

The Inception Report highlighted that within Sida different notions of what constitutes KTS prevail, ranging from a pragmatic approach for doing business and getting results to a development intervention strategy aiming at promoting ownership. The field experience about KTS in practice does not necessarily point at the 'right' or 'wrong' perception within Sida. Even where Sida personnel would consider KTS a philosophy guiding their decisions the general practice in the field of high success and high ownership neither contradicts nor confirms that vision.

However, a strategic and dogmatic limitation of instruments to 'official' KTS criteria would turn the flexible bundle into a technology that may not deliver. Apart from Sida's flexible use of 'official' KTS criteria, this report has revealed that in actual practice Sida also uses other instruments that lead to high degree of ownership. These include developing the aid-relation over a longer period of time (with the potential of leading to mutual trust and genuine partnerships) and the orientation of the technical assistance intervention to the core-competences of the organisations.

Annex A:

Project Summaries

1 Botswana Agricultural Union

1.1 Short Description Botswana Agricultural Union Development Programme

Swedish consultant:	Scanagri Sweden (formerly SwedeAgri AB)
Local organisation:	Botswana Agricultural Union (BAU)
Number of agreements:	1
Duration:	November 2001 – March 2003
Sida's contribution:	350 000 SEK
Cost-sharing	22%

The *objective* of the project is to strengthen Botswana Agricultural Union by reviewing its structure and membership so that it can effectively represent the interests of the agricultural sector. The project activities consist of:

- A comprehensive review of the set up and operations of BAU;
- Discussion of the outcome and recommendations during a national seminar with stakeholders;
- Adoption of a new structure and strategic plan;
- A review of the implementation after one year.

1.2 Brief History

According to BAU the contract between the client and the consultants was signed in November 2001 (no copy available). The project has started with a preparatory mission carried out by two consultants of Scanagri Sweden, the Swedish consultant. Scanagri Sweden was formerly SwedeAgri, the consultancy firm owned by the Swedish Federation of Farmers (LRF).

BAU was formed in 1993 through the initiative of the Botswana Confederation of Commerce and Industry. The Botswana Agricultural Union is an umbrella organisation for all farmers associations in Botswana, in total 24. Six of the farmers associations are commodity associations (dairy, poultry, ostriches, etc.) and the others are associations with an area focus. Among them are associations of commercial and traditional farmers. Being the only existing agricultural organisation in Botswana, the Botswana Agricultural Union, acts as a channel of communication between the government and the farmers. BAU has an execu-

tive Board with members being elected on an individual basis, and a secretariat, which is staffed by an Executive Officer and an administrative assistant.

1.3 Demand-Driven

The idea for the project came from BAU. The organisation is experiencing problems in its structure and in its membership associations, which it cannot solve by itself. Therefore BAU decided to look for external advice. The Executive Officer promoted the idea, and received support from the Executive Board. Initially BAU had plans to work with Norway, but the Botswana ambassador based in Sweden, brought them into contact with the Swedish Federation of Farmers (LRF). BAU was interested in starting co-operation with the LRF, because it is a successful and experienced farmers federation and BAU considered LRF's model to be very good. When it appeared that it was not possible to receive free support from LRF, assistance was sought from Sida to finance the technical assistance. BAU sees the KTS-project as a stepping-stone for longer-term co-operation with LRF.

The formulation of the project was done in consultation between BAU and LRF. In 1999 the managing director from SwedeAgri, the consultancy firm of LRF came to visit BAU to discuss the areas to be deeper scrutinised by LRF competence. BAU drafted the project proposal in consultation with LRF.

Given the fact that the idea for the co-operation with LRF/SwedeAgri came from BAU and that BAU formulated the draft proposal, it can be concluded that BAU assigns high priority to the project.

However, as Sida points out in the decision memo there is a risk that the individual member organisations are not as dedicated to the cause. The project has mainly been conceived at the level of the Executive Board and the secretariat. The associations have been informed about the project and some were reported to have shown a keen interest. The executive officer expects that the member associations will become (more) committed when they are more involved in the project during its implementation.

1.4 Cost-Sharing

BAU learned from the discussions with Sida and the Embassy that there was the requirement of cost-sharing. Since BAU did not have sufficient funds of its own, the organisation applied for financial assistance from the government through the Ministry of Agriculture (25% of total budget). They received approval, but the whole process took more than a year. There was some confusion from which budget the cost-sharing part of the project could be financed. BAU learned that the project could not be financed from the development budget, since it was not included in the National Plan. It is financed under the recurrent budget of the Ministry of Agriculture with the approval of the Ministry of Finance and Development Planning. The decision came soon after Sida/INEC had written a letter to the Permanent Secretary of the Ministry of Agriculture asking them to support BAU in their contact with the Ministry of Finance and Planning.

Officially there is no formal link between BAU and the Ministry of Agriculture, but BAU is represented in some of their committees and has received some support from the government in the past. BAU describes their working relationship with the Ministry as good with the comment that “we have agreed to disagree.” The consequence of the cost-sharing is that the Ministry of Agriculture has become a stakeholder in the project, which makes BAU less independent. This is illustrated by the fact that during the formulation phase the Ministry of Agriculture asked them to change some sentences in the proposal, for example where it was said that the Government implements conflicting policies and that BAU would lobby for better policies.

1.5 Selection of Consultant and Power of Contract

BAU has selected the consultant. Moreover, they had to approve the CV's of the individual consultants proposed for this project by Scanagri Sweden, before the contract was signed. This gave BAU the feeling that they are in control. BAU also chooses the time when the consultants can visit.

1.6 Limited Project

The KTS project is limited in time. However, BAU sees the project as the beginning of longer-term co-operation with LRF. Sida/INEC has made it clear that “no promises can be made of Swedish funds for any future institutional co-operation”.

1.7 Role of Sida and Embassy

Both Sida and the Embassy have been involved in the formulation of the project. In July 1999 BAU sent a letter to the Swedish Embassy requesting assistance for a feasibility study. According to BAU the Swedish ambassador has been very helpful in discussing the KTS possibilities. She provided them with the KTS guidelines. BAU submitted the first draft project proposal to Sida in April 2000. However, due to the cost-sharing requirement the contract was only signed in late 2001.

Sida's role in the formulation of the project has been quite active. The desk officer at Sida made extensive comments on the project document. She sent a list of questions to BAU asking for more background information with regard to the context of the project. Furthermore it was suggested to shift some cost items so that they could be counted under cost-sharing. During a visit to Botswana the Sida desk officer also visited BAU to discuss the project proposal. Amongst other things the issues of gender and remote areas were raised. As a result BAU has included both issues in the final proposal. The project manager was initially hesitant because the project is about structures, but later he saw that these comments were useful, as they might have overlooked these issues.

1.8 Competence Client

It is too early to assess the competence of the local partner, as the project has only just started and the organisation has not yet much experience in implementing projects.

1.9 Swedish Consultant

The project has just started, so BAU does not have much working experience with them yet. Clearly the consultant was selected, because they were thought to be competent. It is interesting to note that BAU does not seem to make a difference between LRF and the consultancy branch.

The executive officer realised later that it would have been good to involve a local consultant as well to build up local capacity. But this is not possible under KTS finance and moreover the proposal was already been agreed upon.

2 Botswana Power Corporation

2.1 Short Description of the SCADA Project

The aim of the project is to upgrade the SCADA (Supervisory Control and Data Acquisition) system of the National Control Centre (NCC) and to set up a separate district control centre (DCC) for Gaborone to control the distribution of electricity in Gaborone.

Swedish consultant:	SwedPower
Local organisation:	Botswana Power Corporation (BPC)
Number of agreements:	1 + 1 related
Phase:	1
Duration:	June 1995 – March 2001
Agreed amount:	2 448 000 (Sida), 232,076 (BPC)
Cost-sharing:	9%, consisting of all local costs

BPC is a parastatal with a board reporting to Government through its parent Ministry (Ministry of Minerals, Energy and Water). Under the board comes the Chief Executive Officer in charge of the BPC with below him six departments: Finance, Personnel and Administration, Operations and Transportation (400 kV – 132 kV), Distribution (66 kV – 230 kV), Generation, and Loss Control. The three departments Operations and Transportation, Distribution, and Generation form the core of the organisation.

2.2 Brief History

This project includes two parts: (a) installation of equipment by ABB and (b) engineering consultancy services by SwedPower.

The first part involves a concessional loan for equipment and training delivered by ABB Network Control. ABB was chosen as it already had supplied to existing equipment. Moving to another supplier would imply changing many other parts of the systems since most of the parts are dedicated to the specifics of ABB system. Moreover, ABB also supplies equipment to the neighbouring countries and connectivity problems will be avoided by using the similar equipment. ABB advised that also this type of technical assistance could come from BITS. A request to that effect went to BITS in September 1994.

The second part is the KTS project and covers the agreement with SwedPower on consultancy services to manage the contract between ABB and BPC on behalf of BPC. This was deemed necessary because of the manpower constraints at BPC.

The financial arrangements are:

Loan for ABB equipment:

Total contract value: 24,088,000 (SEK)

42.5% grant

42.5% soft loan, re-payable in five years

15.0% cash contribution by BPC

The Swedish financial packet (normally) comes as 50 percent grant and 50 percent soft loan with a Swedish bank. BPC would have preferred a full grant, but had to take the soft loan from a Swedish bank. They then decided to increase their own contribution.

BITS (KTS) will pay SwedPower's fees (amounting to 2,448,000 SEK) whereas BPC will pay 100% of all local costs incurred by foreign consultants.

The work started in July 1995 (thus before the contract was officially signed in December 1995); installation was completed in April 1997; and a one-year period was added before final payments were made to solve infancy-problems. This was later extended by half a year. Thus as far as ABB was concerned, the project was finished in October 1997. On 11 October 1999, BPC submits a list of 23 outstanding items to SwedPower. But little could be done about this. The last couple of years the project has been slumbering and Sida has requested the two partners (BPC and SwedPower) to make a request for the remaining 230 000 SEK, which they did.

2.3 Project Organisation

The day to management is done by a Project Management Committee, chaired by BPC and with ABB, SwedPower and BPC personnel as members.

2.4 Planning Procedures

Originally, this was a BITS project but the disbursements did not start until after the merger. In April 1995 BITS pointed out to BPC that "the four Swedish devel-

opment assistance authorities (SIDA, BITS, SwedeCorp and SAREC) will merge as from 1 July, 1995. In the light of the merger we are presently coordinating and harmonising our activities in Botswana with SIDA, which is the largest Swedish donor in Botswana”.

The training for operating the SCADA system was added later as an option in the tender proposal for managing the ABB contract. BPC asked for clarification and whether it would be complimentary to ABB training. SwedPower answered that the training is intended to be a transfer of know-how and experiences from our own use of different SCADA applications in day to day operation of power system as a utility.²⁷

BITS asked SwedPower to make a tender proposal for these consultancy services and SwedPower produced this tender in October 1994. It states that “SwedPower has been asked by BITS to make this proposal for engineering services to BPC and to give training for good utilisation of the new and upgraded SCADA facilities.”

BPC accepted this proposal. Project acceptance and initiation were delayed because of procedural errors and a discussion on cost-sharing. BPC first asked BITS directly while the request should have gone through the Ministry of Finance. The Ministry of Finance assumes that the two parts of the project are covered by the same budget but BITS points out that a new contract with its own budget has to cover the KTS part. In March 1995, the procedures seem to be correct.

Now a discussion on cost-sharing develops leading to further delays until the end of the year. BITS points out that BPC is expected to cover all local costs, 100% of the local costs of the Swedish consultants, and 50% of the fees of the Swedish consultants.

Initially BPC had wanted BITS to pay all local costs as well but they understood that this was not feasible. Thus, BPC in a fax to BITS dated 25 April 1995 states that “we would like to advise that we are prepared to pay for the hotel and expenses and allowances in Botswana for the consultant’s personnel in accordance with the estimates given in appendix C.1 of the draft agreement with SwedPower dated January 1995”. This would amount to 232,076 while the total costs of the consultancy services was estimated at 2,905,000. Cost sharing measured in this way (e.g. excluding BPC’s contribution to investment costs) would come at 8.7 percent. After receiving the letter by BITS (dated April 26) about the higher cost-sharing, BPC faxes to BITS (May 2, 1995) to express that “they are somewhat taken aback”, arguing that Botswana was re-classified as upper-middle income country with effect from 1995 but that the contract with ABB was signed on 5th of December 1994. BITS insists on cost-sharing in foreign exchange (letter dated May 9) by arguing that they received the request only at the end of March 1995

²⁷ The ABB contract is covered by FIDIC rules, which have a special clause on the ‘appointment of an engineer’ (note that FIDIC is based in Switzerland and is governed by the rules of arbitration of the International Chamber of Commerce, based in Switzerland).

through the Ministry of Finance, and “considering the urgency of the matter, we suggest that you appraise your possibilities to give a certain contribution also to the foreign exchange component of the project”. BPC replies (May 15) to this letter (of May 9) that “we are at present not in a position to propose accepting responsibility for any contribution towards the foreign exchange component without first submitting a detailed motivation for approval to our Board of Directors” Thus, “because of the time constraints this project is now in jeopardy through no fault of our own”.

There is no further information in the files available. Thus quite some hassling has been going on about cost sharing, with the result the BPC did not pay for the fees.

BPC was in a hurry since after end of 1994 this funding would no longer be available. This was the date that Botswana was re-classified. BPC was thus fully aware and rushed against time to get everything signed before the end of 1994.

The project started in June 1995, just after the merger, and instalment was completed in April 1997, while a one-year period for maintenance was included to solve infancy-problems. BPC was never aware that the project had changed to KTS: “It was just another contract”.

BPC considers the project largely a success (70–80 per cent). The system by ABB is 100% but bit and pieces by sub-contractors have permanent problems that are not solved. Also training by ABB was not adequate.

On 11 October 1999, BPC submits a list of 23 outstanding items. Two main problems are (a) with the software containing bugs for which only temporary solution were given by ABB with the effect that the problems keep coming back, and (b) with the measurement of power flows in the substations. The latter is the most serious because it really means that the system is not functioning well. This part of the system was sub-contracted by ABB to a South African sub-contractor (ABB South Africa). They did not do a good job. A technical solution is easy but it was not done.

BPC has made many efforts to get SwedPower to do something about these problems but SwedPower did not succeed. Also the training provided by ABB was very poor: too shallow and they could not communicate in English. SwedPower had to do more work because of that, as is evident from their Follow-Up Summary on the Financial Situation after Site Acceptance Tests in June 1997 (15 September 1997). ABB did some training about how the hardware worked but did not train them, how to use the hardware for what type of problems. ABB is only the manufacturer, but SwedPower, through Sydkraft, has power management experience. Thus for the latter, SwedPower had to give the training. BPC feels that they cannot go to court to demand these remaining problems to be solved because it means going to Switzerland (FIDIC). This is too much of a barrier. Moreover, one could argue that to have two Swedish companies in this set-up is a complicating factor that might give rise to lack of trust by the local partner.

In addition, the distant control became even more difficult when it came to demanding services from ABB's South African Branch. This would have to go from BPC to SwedPower to ABB to ABB (SA)). BPC commented on this: "Then you give up".

In 2000, the Sida desk-officer came to visit BPC to find out why the project was inactive for about a year. In fact BPC was disappointed with not being able to get the system working 100 per cent. The desk-officer proposed to use the balance remaining in the budget to wind up the project. BPC proposed further training by SwedPower and asked them to write a proposal. SwedPower submitted a proposal that was accepted after some BPC comments were incorporated.

In the meantime, SwedPower had restructured and the person responsible for the project was now with Sycon, a competitor for SwedPower. This required a special contract conferring SwedPower contractual responsibilities to Sycon. BPC stressed that they themselves requested for this contractual arrangement. The success of the project might have been affected by the changes in SwedPower.

BPC was also acquiring a maintenance contract with ABB. After asking ABB for a system audit, ABB made it clear that it was cheaper to enter into a maintenance contract. Despite their misgivings, they could not go to anybody else.

In summary, BPC agreed with the conclusion that the contract could not be used to enforce compliance.

BPC's learning experience from this is that in following contracts, sub-contractors must be specified and accountability more clearly regulated.

For a next phase/upgrade, BPC feels that no services of a consultant engineer are needed. The first time they had no experience. Now they can do it themselves, although some assistance is needed for selected items.

Currently and despite the fact that BPC has not yet paid off its loan for the SCADA system, they are already preparing for upgrading the system again given the fast technological developments in the sector and the expansion of the power sector in Botswana.

2.5 Role of Sida

The following points can be made about the role of Sida:

- Sida selected the engineer/consultant SwedPower. BPC did not know why they were chosen but did not mind because Sida gave the money.
- Because of Sida's policy towards higher middle-income countries, the project arrangements were put under stress to finalise everything before end of 1994.
- BPC was not aware of the various procedural issues and was learning by doing. Various misunderstandings contributed to delays: (a) using the wrong channel to request BITS support, (b) wrongly including SwedPower in the contract with ABB and having to start a separate (KTS) project with SwedPower, and (c) the discussion on costs-sharing (as part of the KTS project).

- Finally, the desk-officer insisted on using the remaining funds to finalise the project.
- All these points are not at all unreasonable for BITS/Sida's perspective but from the perspective of BPC it created quite some confusion. BPC perceived the negotiations with BITS/Sida as a learning process.

2.6 Cost-Sharing

It is clear that BPC saw cost-sharing as an important issue, but they saw it as a cost item and tried to minimise it.

2.7 Ownership and Control

BPC has tried to make this project a success under difficult conditions. First of all, this was their first aid project with Sweden. Secondly, the indirect line of command from BPC to SwedPower, to ABB, to ABB (South Africa) made it difficult to exercise control. Thirdly, the monopoly status of ABB in the region and vis-à-vis BPC made it difficult to bargain. Fourthly, there were a number of changes that made this project more complex:

- The change in country status and consequences for Swedish aid;
- The merger resulting in a change from BITS to INEC/KTS;
- The changes within SwedPower and the change in position of the consultant, eventually resulting in a new contract with a competitive company of SwedPower.

Thus, BPC has demonstrated strong ownership over this project.

2.8 Competent Local Organisation

BPC has done well. Learning took place and now they can do their own maintenance. They also learned to deal with the complexities of contracts and aid procedures. BPC is still weak in diagnostics and need more training.

They have their own training department.

2.9 On KTS

BPC did not see anything special in the KTS form. For them, it is just another channel to obtain finance and expertise.

3 Botswana Telecommunications Authority

3.1 Short Description of the Strategic Marketing Support to the Botswana Telecommunications Authority

Swedish consultant:	ÅF-SMG
Local partner:	Botswana Telecommunications Authority
Number of agreements:	3 (only one KTS)
Phase:	1
Duration:	September 1999 –
Agreed amount:	970 000 (Sida), 1 730 000 (BTA)
Cost-sharing:	64%

Botswana Telecommunications Authority is established by the 1996 Telecommunications Act as a parastatal regulatory body for the telecommunications and IT sector and falls under the Ministry of Works, Transport and Communications. It finances its full budget from regulatory fees and investment income. The MOWTC appoints its Board of five persons without representation of BTA. The Chief Executive (or Executive Chairman) is responsible for the day-to-day management and reports directly to the Board. BTA consists of six main groups: (1) Engineering Services, (2) Market Development and Analysis, (3) Broadcasting Regulation, (4) Communications and Consumer Affairs, (5) Finance and Administration, and (6) Legal Affairs. Currently, the Department of Communications and Consumer Affairs has one senior officer (Manager Consumer Affairs) with as one of her tasks to look into gender issues and policy. The Department Market Development and Analysis was to become the main location of the KTS project. Currently two of the Board members are male, and three female. All directors are male. In 2001, the majority of staff was women, but recently more men have been recruited.

3.2 Project Details and Brief History

In 1992 the Botswana Government initiated the liberalisation process of the telecommunications industry with two Presidential Directives. The Ministry of Works, Transport and Communications was charged with taking the initiatives and its Deputy Permanent Secretary was to lead the process.

Early 1994 the MOWTC approached SIDA for technical assistance to formulate a new telecommunications policy. MOWTC awarded a consultancy contract to a consortium consisting of Swedtel and ISO-Swedish Management Group (later ÅF-SMG), jointly financed by SIDA and the Government of Botswana on a 50/50 basis. This project started in October 1994 and ended in April 1996. A Reference Group²⁸ was constituted to evaluate the consultancy proposals and oversee

²⁸ The reference group consisted of the Ministry of Works, Transport and Communications, Ministry of Finance and Development Planning, Ministry of Commerce and Industry, Attorney Generals Chambers, Directorate of Public Service Management, and Botswana Telecommunications Corporation

the activities of the consultants. During the first half of 1995, the permanent secretary and the Swedish consultant undertook a nation-wide consultation round and concluded that a national consensus existed for liberalisation of the telecommunications sector. In December 1995 the Telecommunications Policy for Botswana was published. This was followed by the Telecommunications Act in 1996, with substantial inputs from the project.

In June 1996 Sida and Botswana reached an agreement to undertake a project 'Support to the Development of the Telecommunications Authority in Botswana'. ÅF-SMG was awarded the contract and the work started in August 1996 and ended in July 1999 (after an extension). This, and the previous project is seen by everyone as a great success. The long-term advisor called it "a fairy tale", and "It was the right thing at the right time. Everything fell into place". The Telecommunications Policy has served as a model for SADCC, Botswana Telecommunications Authority (BTA) has taken the initiative to create the Telecommunications Regulators' Association of Southern Africa (TRASA) and BTA has been chosen as a case study of success by the International Telecommunications Union.

The project had three long-term advisors: one permanent team leader for the duration of the project, a Technical Advisor (September 1996 – May 1997), and an advisor for developing and managing the radio spectrum (August 1997 – March 1999). Initially, these advisors were also involved in implementation but as BTA developed its human resource base they gradually handed over implementation responsibilities and concentrated on their advisory roles. BTA is completely financially independent and makes huge profits from its activities, particularly its licenses (BWP 20 million in 2001), which are levied in proportion to the number of clients of the licence holders rather than a fixed fee. This mechanism has proved to be the key to the financial success.

In March 23, 1999 the Executive Chairman proposed a second phase to Sida/ INEC 'Strategic Market Support to the Botswana Telecommunications Authority (Ensuring Competition and Consumer Influence in the Infocom Sector), with "as a demonstration of our interest proposing to equally share all costs plus all local costs."²⁹ Moreover, I have requested the Swedish consultant to meet with the representative from the Division of Technical Cooperation at Sida".³⁰

Sida's Programme Manager writes to BTA: "We are very pleased with the fact that the ongoing project has been a success and as a result of that, we have looked on the new proposal with the aim of financing the project on a cost sharing basis as a final phase of Sida's support to the BTA". They object however to having a long term consultant on the project within the framework of a KTS project and ask for a revision."³¹

²⁹ They demonstrate ownership of the project proposal by their degree of cost sharing; thus they use the KTS criteria to convince Sida; this is how social reality incorporates the very (social) instruments that are used/supposed to steer the actors.

³⁰ This shows or is intended to show that BTA is also in charge of the processes.

³¹ This is the first project in which this is mentioned; it is not part of the official KTS criteria seen so far.

On June 4, 1999 the revised proposal for Swedish support for the project 'Strategic Market Support to the Botswana Telecommunications Authority' is ready. The issue of not having a long term consultant, was apparently solved by keeping the budget the same as in the first proposal and implementing the project in three phases, separated by the Christmas and New Years breaks (a purely administrative solution). Effectively, the ÅF-SMG consultant stayed for the whole project period. Mention is made of the good gender balance in BTA (using examples), of the interest in gender issues, and the intention to develop a gender policy.

In December 2000, towards the end of the project, a problem develops over gender aspects of the project. The programme officer at Sida insists on a gender seminar and a gender policy in BTA, arguing that this has been discussed at lunch and during a telephone conversation. ÅF-SMG writes a proposal (dated March 2001) for developing and implementing a gender policy. Interviews at Sida revealed that a deadlock existed. Sida would not pay ÅF-SMG until the seminar had taken place; but BTA was not interested to organise the seminar because of the high degree of cost sharing.

During the interviews, BTA mentions that they have prepared a new Draft Proposal for Gender Policy. Moreover, it became clear that there was support for a gender policy seminar in parts of the organization. The reasons why gender policy had not yet been developed was that BTA had a backlog of activities (there was a shortage of manpower and they had to be trained). Therefore it took time to get down to organising a gender policy seminar. Moreover, the strategy department felt it was not their responsibility and left it to the manager of consumer affairs.³² Now there is a draft proposal for the gender policy seminar and the manager of consumer affairs is in charge of gender issues. BTA feels that the two Swedish consultants (in the ÅF-SMG proposal) are not necessary and prefers one Swedish consultant and one local consultant.

BTA now employs another (local) consultant: Price Waterhouse/Coopers Botswana. Reasons given are that BTA has to look again at their structure because they are expanding. Moreover, BTA is also designing an efficient universal service, to be financed from a universal service fund established by BTA itself. They also use another local consultant, NERA (National Economic Research Association). Tenders have been invited for respectively marketing and licensing advice. These consultancies are financed from own resources.

3.3 On KTS

BTA ("It was all the same project") saw the whole interaction with ÅF-SMG as one continuing project over various financing stages. BTA (the interviewees) was hardly aware of the existence of the KTS form.

³² This makes clear that the gender component is not a natural component of the project with the strategy department.

3.4 On Aid

Now that BTA has its own finance, they no longer look for aid. This makes BTA (or rather the person in BTA interviewed) feel independent.

3.5 Relations with the Swedish Consultant

BTA has been very happy with the consultants. When there were differences of opinion they discussed and arrived at an agreed final solution. They provided advice by giving different scenarios and advising their preferred one. The Board was always offered a choice. Top management then discussed it with them and took the final decision. This has set an example for the general work-culture in BTA. They did not ask ÅF-SMG again because first of all they wanted local consultants who are better aware of local conditions. Secondly, they wanted a change of consultants for a fresh stimulus. ÅF-SMG did not make any attempt to come up with a new project proposal.

3.6 Training

There was no explicit training component in the project. The knowledge transfer that took place was on the job transfer. The major technical assistance went into developing the organisation.³³ They have an explicit training and human resource development policy. Because of the new field, all officers need retooling and are sent to universities in UK and SA. BTA is not yet competent in all fields and uses consultants when expertise is required.

3.7 Role of Sida

The following points can be made about Sida's role:

- Tendering: after the initial tender in 1994, ÅF-SMG just continued the co-operation without tendering.
- Long-term consultants: this issue was brought up unexpectedly by the Sida (INEC) desk-officer. It seems to be the only instance of this condition and might be the individual interpretation of the desk-officer. The issue of the long-term consultant did not seem to be important after all (in fact, a long term consultant did function during the whole project).
- Gender policy and gender seminar: another condition of Sida. It was not in the original proposal of March 1999. After the discussion on the long-term consultant, it was suddenly added to the revised project proposal. When the gender component of the proposal was not acted on, a rather strong action by the desk-officer resulted. Overall, there seems to be support in BTA for this, although given the fairly high degree of women in BTA it seems to be an issue

³³ The output was a successful organisation rather than knowledge transferred; another (unintended) output was the positive work attitude by the example of the Swedish consultants.

for debate within BTA. There were reasons why it had to be postponed: there were more pressing priorities. Through Sida's insistence earlier action was taken.

- In summary: Sida's role cannot be understood as 'just' the financier of the contract. The finance was typical 'aid finance' with conditions attached.

4 Production of National Atlas and Development of an Integrated Geographical Information System (IGIS)

4.1 Project Summaries

Swedish consultant:	Swedesurvey
Local partner organisation:	Department of Survey and Mapping (DSM), Ministry of Lands, Housing and Environment
Number of agreements:	11 since 1990

Project 1 Production of National Atlas

Number of agreements:	3
Duration:	1996–2002
Cost-sharing in KTS:	50–77,5%
Sida contribution:	2.609.250 SEK

The *objective* is to produce a National Atlas of Botswana and to develop a computerized version of the atlas which can be easily distributed. The consultant (Swedesurvey) provides technical support and supervision and training of DSM staff to enable them to undertake the production of the atlas.

Project 2 Development of an Integrated Geographical Information System

Number of agreements:	2
Duration:	1997–2003
Cost-sharing in KTS:	50–72%
Sida contribution:	3.980.000 SEK

The Integrated Geographical Information System project concerns institutional co-operation between DSM and Swedesurvey aiming at the development of integrated cadastral, geodetic and topographic databases, which facilitate the provision of geographical information in cost-effective manners to users in society.

4.2 Brief History

The co-operation between the Department of Surveys and Lands (DSL), which later became the Department of Survey and Mapping (DSM), and Swedesurvey,

the Overseas Agency of the National Land Survey of Sweden, started in 1989. SIDA asked DSM to carry out mapping in the context of the District Development Sector Support programme with technical assistance from Swedesurvey. This was the beginning of a long-term institutional co-operation between DSM and Swedesurvey.

From 1989 to 1995 the institutional co-operation was funded by SIDA under the country programme. In 1995 this type of assistance was coming to an end and Sida mentioned the possibility of KTS for new projects. At that time the KTS strategy was not clearly defined according to DSM, but they knew that they have to share costs. The feasibility study for the production of the national atlas was funded under BITS (1994), whereas the atlas project and the IGIS project were funded by Sida/INEC after the merger had taken place. Both projects are KTS projects, although not all activities have been funded through the KTS account. The second agreement under the atlas project and the first phase of the IGIS have been funded through the Personnel and Consultancy (PK) Fund. Except for the different budget line and a minor difference in the invoice procedure, there is no difference with the KTS projects funded through INEC/KTS. The partner organization looks upon them as KTS projects.

The hard copy of the atlas has been printed in 2001. The production of the electronic version of the atlas is in process. Most of the training in the projects was in-house training, but some staff members also went for courses to Sweden.

4.3 Demand-Driven

Both projects have been initiated by the Department of Survey and Mapping and are very important for the organisation. The projects refer to the core activities of the organisation, which are surveying (including use of global positioning system), maintaining the cadastre database, and mapping, especially the IGIS project. The IGIS project can in fact be seen as an extension of the earlier institutional co-operation between DSM and Swedesurvey.

The idea of producing a national atlas emanated from the Botswana Society, an NGO for which DSM had already produced maps. DSM realized that they would need assistance to implement such a large project and approached BITS and Swedesurvey. According to DSM the project was a truly Botswana initiated and implemented project. A large number of Botswana experts from civil service and university contributed to the production of the atlas. There was only one contribution from a foreign professor. The main beneficiaries of the atlas project are other government departments, students at secondary schools and university and the public at large. For DSM, the project is also important, because a spatial database has been created and because it shows to everyone the benefits of using IGIS.

4.4 Cost-Sharing

Cost sharing in the KTS projects has been high. This seems however not to have been specific for KTS. DSM noted that even before KTS SIDA did not provide hardware and software and they see KTS as the formalisation of the requirement to share costs. According to DSM (the extent of) cost sharing does not change their relationship with the consultant: “we are partners in development”.

The fact that Sida is contributing funds to their projects helps DSM in their negotiations with the Ministry of Finance and Development Planning for approval of their budget request as Sida is a respected donor supporting useful projects.

4.5 Selection of Consultant and Power of Contract

The client is very satisfied with the consultant, so their wish has been to continue with the same consultant in all Sida projects. Both the client and the consultant reported that they have never had major problems. Thus, there has never been a need for client to ‘use’ the contract to exercise influence upon the consultant. In this respect it is interesting to note that the client considers the relationship between Sida and the consultant as more important. It is felt that they have to perform well, because of their close relation with Sida.

4.6 Limited Projects

The atlas project can be considered as a once-off event, but consisting of a series of agreements. The IGIS project is a continuation of long term institutional co-operation.

4.7 Role of Sida and Embassy

Sida has occasionally been involved in the formulation and implementation of the KTS projects. According to DSM Sida’s role can be characterised as more hands off, e.g. with the invoicing, than in the previous non-KTS projects. Discussions between Sida and DSM took place during mutual visits and in the formulation/approval phase of projects. For example, the gender issue was often raised in the discussions. It was reported by DSM that Sida did not agree lightly on the projects, especially the Atlas project.

The Embassy has assisted DSM with getting assistance from Sida/KTS.

4.8 Competence Local Organisation

The client was competent to manage the projects and to take advantage of the transfer of skills. Moreover as a result of the projects, the competence at DSM has not only developed technically, but also in project management (Assessment Report, June 2000). The client was already used to working with tendering procedures and has now gained even more experience (e.g. through the tendering for the printing of the atlas).

DSM has a staff-training programme and many staff members went to study abroad.

There are many women working in DSM, also at the senior level.

4.9 Swedish Consultant

The consultant is fully competent, both technically and in the building of confidence and partnership in the co-operation. The relationship between the client and the consultant is said to be very good. The relationship is described as a long-term partnership. Besides the Sida-funded co-operation within the framework of the KTS projects, DSM and Swedesurvey have also co-operated in commercial mapping projects. DSM like the Swedes and the way they behave. Problems are always discussed and solved and the consultant does not impose ideas upon them, but ask them what they want.

5 Electricidade de Moçambique (EDM)

5.1 Short Description of Support to the National Power Utility of Mozambique

Electricidade de

Moçambique (EDM): Public enterprise since 1995 under performance contract with Government.

Parent Ministry: Ministry of Mineral Resources and Energy (MIREME)

KTS project: April 1999 to March 2002, extended to June 2002; new KTS proposal in the pipeline

Budget: Sida: 8 MSEK (PK fund of country programme),
Cost-sharing EDM: 2 MSEK

Consultant: SwedPower, since late 1970s.

Main components (mainly the continuation of existing, pre-KTS support):

- Loss reduction programme
- Strategic support for the Southern African Power Pool negotiations
- Power system (transmission) planning
- Operations assistance

5.2 Brief History

The KTS project concerns support to the national power utility of Mozambique: the Electricidade de Moçambique (EDM) provided by SwedPower International AB, a Swedish consultancy firm, wholly owned by the State through Vattenfall AB. The KTS project started in April 1999 and will end in March 2002. EDM has requested to extend the project up to June 2002. Sida's contribution to the

project has been 8 million SEK with a cost sharing of the local partner of 20%. The project is financed through the Consultancy fund (PK fund)³⁴.

Sweden has supported the energy sector in Mozambique since the late 1970s, largely through support to EDM in the framework of the country programme. The national power utility, EDM, was a state body until it was transferred in 1995 into a public enterprise under performance contract with the government. EDM owns the national transmission system and is also the dominant actor on the distribution side. In the past decade the main objective of Sida's support was to assist EDM to develop the capacity to plan, operate and maintain its power plants, substations and network. Training formed an important component and resulted in an internal training centre.

In the country strategy for Mozambique for the period 1996–1999/2000 it was stipulated that the Swedish support to the Mozambican energy sector should be phased out. The main reason for phasing out the support to the energy sector was to reduce the number of sectors in which Sida was involved. But it was also assumed that by the end of the period EDM would have the required skills and capacity to manage the planning, operation and maintenance of its power plants and transmission and distribution facilities.

In 1999, when the technical assistance support under the country programme came to an end, the Swedish Embassy in Maputo considered EDM eligible for support in KTS form. EDM was said to have the right people and to have sufficient own resources for cost sharing. After all these years of co-operation they were expected to be able to manage a KTS project. It was considered a good possibility to experiment with the use of KTS type projects in Mozambique.

The main reason for continued support to EDM stems from the changing environment in which EDM operates. In addition to technological developments, the sector is in a liberalization process while at the same time regional developments in Southern Africa put new demands on EDM's negotiating skills and analytical capacity. Thus, although the long support-relation has improved EDM's competence, continued support was deemed necessary. The new country strategy, starting January 2002, opens the possibility for continued support to the energy sector and EDM through its emphasis on rural electrification.

Both the local partner and the Swedish consultant were aware of the KTS type of aid. However, the local partner did not perceive a clear difference between the KTS form and earlier forms of co-operation under the country frame, apart from the cost-sharing. Since also other donors have cost-sharing, KTS was not considered to be a very special form of aid-financed co-operation.

³⁴ The Consultancy Fund (PK fund) is normally used for short term financing of staff or very short, temporary projects. It plays a role as KTS source of financing only in Botswana and Mozambique.

5.3 Content of the Co-operation

The co-operation consisted of consultancy and transfer of knowledge. In the previous non-KTS projects with the local partner organization training has been an important element.

5.4 Contract Power and Its Use

The local partner is aware that there is a contract, but does not attach special importance to it. It is a result of a long-term technical assistance relationship, in which things are done on the basis of trust and gentlemen's agreements. Furthermore there was no reason for the client to use the contract, because they are very satisfied with the consultant. No tendering has taken place for the KTS contract. The selection of the consultant was done by the local partner on the basis of their positive experience with the consultant in previous projects.

5.5 Demand-Driven

The idea for the continuation of the co-operation came from the local partner. The project proposal has been written together with the consultant. The partner assigns high priority to the project, as the project's main activities are considered to be in the core business of the company. This in contrast with rural electrification, which is more a priority of Government (and of Swedish aid) than of the company as such. If Sida had not financed the KTS project, the local partner would have looked for other possibilities for funding.

5.6 Cost-Sharing

Cost-sharing can be described as low to medium (20%) with EDM paying for most of the local costs. It is seen as the most important characteristic of KTS. The project manager from EDM does not consider cost-sharing as an incentive to be more critical about the performance of the consultant. It was added that when cost-sharing would go up to 50 percent he would most likely look at it differently. However, it was argued that (the degree of) cost sharing was not important for the feeling of ownership.

5.7 Limited Projects

With a duration of two years and an extension of several months the KTS project itself might be called limited. However, the KTS project is a continuation of a long term co-operation between the consultant and the local partner funded by SIDA/Sida, which started in the late 1970s. Moreover, the local partner and the consultant are already preparing a proposal for a new KTS project. The financial volume is also not very small. Therefore, the KTS characteristic of limited projects does not really apply.

5.8 Sida's Role

Sida's role seems to have been quite active, especially in monitoring. There are regular annual reviews during which the project is discussed. Sida staff members come from Stockholm to Mozambique to participate in these reviews. There are issues that the local partner discusses directly with Sida e.g. the future co-operation and other issues they bring up through the consultant. The project manager of the consultant informed us that he has regular telephone contact with Sida.

It seems that there were some discussions on the KTS project proposal. The issue of gender was discussed between Sida and EDM in the pre-KTS co-operation. EDM itself has shown a keen interest in the issue. A gender policy has been put in place with support of Sida and EDM has one female board member and several female engineers in top positions as well as other technical personnel.

5.9 Competent Partners

In terms of technical competence, EDM offers a mixed picture. Within Mozambique it is considered as one of the few most competent organisations. On the consumer side however, there are quite a number of complaints. Power cuts and voltage fluctuations regularly occur. Recently electricity prices have gone up by about 18 percent over and above an increase of 20 percent last year (far above the inflation rate). Technically, most observers consider EDM competent. Starting in 1995, the Loss Reduction Programme has pushed back revenue losses from 40 percent to 20 percent. Since 1998 EDM has become a profitable organisation. EDM still lacks competence in specific fields, such as the capacity for negotiation with the Electricity Utility of South Africa (ESKOM), particularly in the fields of financial, economic and legal expertise.

In terms of organisational competence, the local partner said that over the years of co-operation they have learned much in terms of management and control of projects and consultants. Towards the end of the eighties Sida and Swedpower passed on more responsibility to EDM. Sida has sent people to train EDM staff in becoming a client and employer.

It can be added that EDM and SwedPower have been co-operating over such a long period that it is difficult to fully assess EDM's competence in managing the consultant. There is a relation of trust, in which disagreements are worked out through open discussions. Project management is provided by the resident representative of SwedPower, who has an office in EDM premises. There are no formal coordinating committees. With day-to-day contact and weekly meetings there is no need for formal structures. The final responsibility for the project lies with an executive member of the Board of Directors.

5.10 Swedish Consultant

The local partner describes the consultant as very competent. Not only transfer of know-how is important in this respect, but also their work attitudes and

human relations. These are considered to be excellent. Through the aid-relation, the consultant has been able to establish itself in the region and obtains finance from different sources. The resident consultant acts as project manager and identifies closely with EDM and its staff. The KTS support is reported to have resulted in better conditions of trade with the co-operating partners in the region, especially ESKOM.

It is interesting to note that the consultant considers it crucial for the effective support to have resident advisors instead of only visiting advisors. In this case Sida and the Embassy do not seem to have opposed to the presence of resident advisors. However, in Botswana there was one example where the proposal for a resident advisor was refused as it was considered not in line with the KTS requirements.

Annex B:

List of Persons Met

Botswana Projects

Sida:

Mr. J. Andersson	Desk Officer Sida
Ms. J. Hallenberg	Desk Officer Sida

Project 1: National Control Centre Upgrade and Gaborone Distribution SCADA Project: Botswana Power Corporation (BPC) and SwedPower

Mr. H. Sithole	BPC, Project Co-ordinator, Divisional Engineer, Planning and Technical Affairs
Mr. Kaluzi	BPC, Director Transmission, Acting Chief Executive Director
Mr. Spokes Makobo	BPC, Engineer Computer Application Hardware, SCADA Maintenance
Mr. Christopher Ngulube	BPC, National Control Centre, Operations
Mr. Gaoleboge Mmola	BPC, Divisional Engineer, Electrotechnical Services Department
Mr. Modisane	BPC, Operator Gaborone Control Centre

In Sweden:

Mr. Jan Inge Gidlund	SwedPower, Director, Main Office
Mr. Gunnar Toräng	SwedPower/Sycon, consultant to BPC

Project 2: Production of National Atlas Project and Integrated Geographical Information System Project: Department of Survey and Mapping (DSM) and Swede-survey

Mr B.B.H. Morebodi	DSM, Project Director and Director DSM
Mrs L.M. Phalaagae	DSM, Chief Technical Officer, Atlas Production
Mrs T.T. Sebina	DSM, Senior Surveyor, Project Management
Mrs A. Baathotse	DSM, Senior Surveyor
Mrs M.S. Monyatsi	DSM, Chief Technical Officer
Mrs S. Kombani	DSM, Principal Technical Officer
Mr O.M. Phale	DSM, Senior Surveyor

ANNEX B

In Sweden:

Mr. Åke Finström Swedesurvey, Main Office (DSM)

Project 3: Botswana Agricultural Union Development Programme: Botswana Agricultural Union (BAU) and Scanagri Sweden

Mr. Boweditswe Masilo BAU, Project Co-ordinator, Executive Officer

In Sweden:

Mr. Roland Axelzon Scanagri, consultant to BAU

Project 4: Strategic Market Support to Botswana Telecommunications Authority (BTA): BTA and ÅF-SMG

Mr. T.B. Koontse BTA, Director, Communications &
Consumer Affairs

Mrs. Goitseone Cecilia
Mamelodi BTA, Manager Market Analysis

Mrs. Tebogo Ruth
Mangadi BTA, Manager-Consumer Affairs

In Sweden:

Mr. Claes Rosvall ÅF-SMG, Consultant to BTA

Mr. Leif S. Danielson ÅF-SMG, Main Office

Other persons met in Botswana:

Ministry of Finance and Development Planning:

Mr. D.M. Gaseitsiwe Director of Economic Affairs (projects),
Division of Economic Affairs

Ms. Grace Muzila Principal economist, Division of Economic Affairs

Mr. Matila Principal economist, Division of Economic Affairs

Swedish Embassy:

Mrs. Birgitta Karlström
Dorph Ambassador of Sweden in Botswana

Mrs. Dikeledi Kgwarae Administrative Secretary Embassy of Sweden

Mr. Lethebe A. Maine Ombudsman, Office of the Ombudsman

Mozambique Project

Sida:

Mr. J. Andersson Desk Officer Sida, Energy Sector Expert

Project 1: Special Technical Assistance to the Electricity Sector in Mozambique: Electricidade de Moçambique (EDM) and SwedPower International AB

Mr. Ernesto Fernandes EDM, Executive Board Member
 Mr. Augusto de Sousa EDM, Electrical Engineer, System Planning and
 Fernando Protection Department
 Mr. Arve Andersson SwedPower, Project Manager

In Sweden:

Mr. Jan Inge Gidlund SwedPower, Director, Main Office

Other persons met in Mozambique:

Ms. Argentina Mause Ministry of Finance and Development Planning,
 Deputy Director
 Mr. Eufrasio Gouveia Ministry of Foreign Affairs and Co-operation,
 Desk-officer, Department for Europe and America
 Mr. Anders Kreitz First Secretary, Swedish Embassy in Maputo
 Mr. A. van der Wiel Ambassador Dutch Embassy
 Mr. P. Wijmans Director Lutheran World Federation

Annex C:

Checklist of Questions to Guide Field Interviews

The following schedule of questions guided the Lithuania interviews successfully enough, and for this reason is provided here. However, except for the opening section, entitled 'General', questions were taken in no particular order.

General

- Evaluators' opening statement.
- Please describe the project and its history (including the history of the relationship with Sida and the consultants).
- What are your own personal involvements and your interests in the project?
- What was the problem that this project was expected to help solve? Whose problem was it? What was the Swedish contribution to the solution of that problem?

Priority of the Project, Stakeholders

- What are the main functions of your organisation, and its priorities?
- What are the relations of the project to the rest of your organisation?
- How important is the project within the context of your organisation?
- Who are the other stakeholders of this project (individuals or organisations), what is their role or interest, and who should we meet?

Demand-Driven Nature

- Who had the initial idea that ended up in this project? Who developed that idea into a project proposal? Who supported or opposed it?
- Did you request the project? What sequence of events led to the request? Was there interaction with Sida before the request was formally made and, if so, what? And with Swedish consultants?
- Did the request include a reference to your organisation's needs and priorities? How high is the priority assigned the project in the request?

- Why did you ask for Sida support? Were there other donors you could have asked? Why Sida?
- If Sida had said 'No' to your request, what would you have done about your problem?

Training and Capacity Building

- Sida describes all projects of this kind as projects involving transfer of knowledge. What kind of transfer of knowledge took place? What knowledge was transferred? In what form did this transfer take place?
- What effects did this transfer of knowledge have in terms of development of knowledge of individuals, in your organisation? And in other organisations?
- What impact did this project have in terms of development or change in your own organisation? And in other organisations?
- How has your organisation found the task of managing the contract with the consultant? Had you done this kind of thing before? Did you learn anything with it?

Contract, Contract Management and Role of Sida

- Could you please give us a copy of the contract, and of the Sida letter of agreement?
- What are your main rights and obligations according to the contract? And the consultant's?
- Are there areas of indefiniteness in the contract? Have they led to any conflicts?
- Please describe the relationships between you, the consultant and Sida in relation to this project. Did these relationships change with time?
- Did you manage the contract with the consultant yourselves? What was your experience with this contract? Were there any problems, disagreements, etc. with the consultant? How were they solved, and by whom?
- Who were the people from your organisation involved in the project? Who was the project manager from your side? Who else was involved, what was their involvement, what roles did they play?
- What role did Sida play? Was it ever asked to intervene in your relationship with the consultant? By whom? What role did Sida play then?

Swedish Consultants

- Are the Swedish consultants involved in the project a private company, a public agency or a hybrid form of organisation?

- By whom was the consultant selected? How did the selection process develop, who played what role in it? Had the consultants had contact with you in previous projects?
- How important is the project for the consultants, in commercial terms?
- How do you rate the expertise of the consultants? And how do you assess their role and their commitment?
- Was this the best consultant you could have had? If not, could you have had better consultants? Do you know other consultants capable of carrying out the same or similar (or better) work, and how would their costs compare with those of the consultants you had? From where are these others? From Sweden, from elsewhere in Europe, from this country, this region, elsewhere?

Cost-Sharing

- How is the cost-sharing principle applied in this project? What costs are borne by you, what proportion do they represent of total project costs? How high a proportion do the costs borne by you represent of your current and development expenditure budgets?
- Did you have any objections to cost-sharing? Was there a negotiation concerning cost-sharing? What took place during the negotiation? Have the undertakings concerning cost-sharing been honoured with no problems, or have there been problems?
- If there were problems, did they concern the failure to pay for certain items, or delays in payment? What caused them? Were these problems resolved, and how?
- What do you feel about cost-sharing? Is it useful, indifferent, or a nuisance?

Limited Projects

- Is the project standalone, or is it part of a larger programme or sequence? How long have you and the consultant been working together?
- What are your expectations concerning a continuation of this project, or another project in the same or in a different sector, and continuing funding by Sida? Have your relations with the consultant been influenced by these expectations, and how?
- How do you regard the principle of limited projects? Do you consider it primarily a device for introducing flexibility in an uncertain world, or as a requirement aimed at strengthening ownership, or just as a useless and annoying rule?

Competent Partners

- Who are your organisation's technically most competent staff? Are they able to handle everything that technically your organisation requires of them?
- Have you had any bottlenecks to worry about that have affected your organisation's performance?
- How do you rate your own technical competence as an organisation, in the national context? And compared to the consultant's?
- How dependent were you on this project? If the project did not exist, how would your organisation manage?

Annex D:

Terms of Reference

For an Evaluation of Contract-Financed Technical Co-operation and Local Ownership

1 Background

Contract-financed technical co-operation (KTS) is one of the aid forms used within the Swedish development co-operation 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, 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 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 characterised 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 means¹ of the local partner and the institutional set up on organisational 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 KTS² 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 1996³, 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 characterise 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 co-operation 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 co-operation 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-

¹ Knowledge, competence and resources.

² The specific appropriation is abolished as from the financial year 2001.

³ "Översyn av tekniskt samarbete", Sida, INEC, 1996

Discuss the relationship between these characteristics and local ownership in different local contexts⁴.

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 co-operation;
- 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 co-operation. 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/KTS⁵, 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 co-operation differs compared to Egypt. *Guatemala* is interesting as Sida not only uses the KTS-form within the co-operation 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 combined with desk studies, queries and/or other methods in order to cover a larger population of

⁴ With local context we refer to the rules and norms within organisations but also to those on the national level.

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

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's⁶ discussion/elaboration of the concept, see Annex 2 and 3. According to Sida, ownership in development co-operation 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.

⁶ 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 A, 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 characterise 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 characterised by local ownership or not may be analysed through studying the ownership structures of the projects, i.e. the de facto division of responsibilities between the actors in the co-operation. This requires analysis of actions taken by the different actors, the roles the actors take

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 co-operation, and possible implications of acting in accordance with these and also further local ownership.⁷

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

⁷ Sida will during the latter part of 2001 also conduct an audit of the KTS co-operation.

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 co-operation?

The local context

What are the characterising features of the local context at the organisational 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 co-operation.

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 co-operation, 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 co-operation 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 means⁸ 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 co-operation, i.e. in traditional partner countries;

⁸ Knowledge, competence and resources.

- the importance of the features of the local context, organisationally 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 co-operation 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 co-operate 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
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 summarising 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.

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;
- organisational 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 co-operation (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 Co-operation
- Annex 5: Sida at Work
- Annex 6: Sida Evaluations Newsletter – Guidelines for Evaluation Managers and Consultants
- Annex 7: Sida Evaluation Report – a Standardised Format, Sida Evaluations Data Work Sheet

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Contract-Financed Technical Co-operation and Local Ownership

This evaluation deals with contract-financed technical co-operation (KTS) as a particular aid form in Swedish development co-operation. In particular the study explores the link between local ownership and the various characteristics of KTS projects, such as being demand-driven, limited in time, scope and financial volume, involve a competent local partner and based on a contract between a consultant and the local partner (LPO), cost-sharing and limited involvement by Sida. The evaluation also analyses the dynamics between the three main stakeholders (the LPO, the consultant and Sida) and the applicability of KTS as an aid modality in different national and local contexts.

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

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



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