

Contract-Financed Technical Co-operation and Local Ownership

Ukraine Country Study Report

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Abbreviations

BITS	Board for International Technical Co-operation
EU	European Union
GDP	Gross Domestic Product
IFC	International Finance Corporation
KTS	Contract-financed Technical Co-operation
LPO	Local Partner Organisation
NGO	Non-Governmental Organisation
PAR	Public Administration Reform
PPD	Public Procurement Department
Sida	Swedish International Development Co-operation Agency
Sida-Öst	Department for Central and Eastern Europe
ToR	Terms of Reference
UNDP	United Nations Development Programme
WTO	World Trade Organisation

Chapter 1

Introduction

1.1 General

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

Contract-financed Technical Co-operation (KTS) is one of the aid forms used within Swedish International Development Co-operation Agency (Sida) for technical assistance. KTS is used primarily, but not exclusively, in countries that fall outside the conditions to be designated as traditional partner countries. These include especially middle-income and transition countries. All KTS projects, in one way or another, involve transfer of technical knowledge. Nevertheless, they differ from each other in the way in which this transfer takes place. In training projects, for instance, the transfer of knowledge is itself the project's main objective. In other projects, the consultant is predominantly a professional advisor, with training, if any, playing a secondary role.

The essence of KTS projects is the contractual arrangement in which a local partner organisation¹ enters 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 (by means of a 'letter of agreement'), normally paying the consultant's fees and occasionally some other costs. KTS projects also 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

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

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, our italics).

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

Sida considers **local ownership** 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 lead to better utilisation and/or absorption of the project outputs, and to ensure that the local partner undertakes the activities necessary 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. In the following passage, *Sida at Work* (Sida, 1998: 16–17) characterises ownership in a way that emphasises responsibility:

... 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.

Moreover, and still according to Sida, ownership of development projects has to be interpreted as *local* ownership. By the agency’s definition, no actor besides the local agency can own the project. Whatever the relations other actors have with the project and its constituting elements, these should not be called ownership. For the purposes of this research, ownership requires a certain amount of reinterpretation, as is indicated in Chapter 2 below.

Finally, KTS projects are applied in a great variety of **national contexts**. These include two main groups of countries.

- ‘Traditional’ KTS countries: these tend to be middle income developing countries, some of them former concentration countries for Sida aid.
- Transition countries: these include the former Soviet Union and Eastern European countries which are supported by Sida-Öst under its own special brief from the Swedish Parliament.

Each of these groups of countries is extremely diverse. The national context, and particularly the organisational context facing the local partner organisations, is bound to influence both the way in which KTS characteristics are applied in practice and the presence or development of local ownership. This influence will most likely be exercised through the constraints and incentives facing the organisations and the individuals that work in them. An in-depth understanding of the relations between the KTS characteristics and local ownership will therefore normally require also an analysis of the local context, and of how it affects both the application of KTS characteristics and local ownership.

1.2 The Assignment

There is considerable variability in the way in which KTS is applied in particular national contexts. The general evaluation of which the present Ukraine 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 national contexts.*

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

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

The main reasons for the evaluation are as follows:

- to ascertain what actually is the relationship between KTS and local ownership (a relationship that is generally assumed, in Sida, to be positive, but has never been systematically verified);

- to generate guidance as to the kinds of countries or partner organisations with which KTS may be used and as to how the KTS characteristics should be applied in different local contexts;
- to come to greater clarity about, and a better understanding of, KTS as a form of aid; and
- to provide inputs to the development of a general policy on KTS, currently under way in Sida.

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 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.

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

- *Lithuania* and *Ukraine* represent the Eastern Europe transition countries, one of the two broad groups of countries with which Sida has KTS co-operation. Within this group, the two countries further exemplify different local contexts regarding, e.g., how far the reform process has come, institutional strength and level of development.
- *Mongolia*, *Egypt*, *Guatemala* and *Botswana* represent countries where Swedish development co-operation is managed by INEC/KTS²; this is the other broad group of countries with which Sida has KTS co-operation. The countries chosen represent different geographical regions and typify different local contexts and different KTS histories. *Egypt* is a traditional KTS partner country, with a history of KTS co-operation since the 1970s. *Mongolia* is a recent KTS partner country, with very different conditions for co-operation, compared to Egypt. *Guatemala* is interesting because Sida uses not only KTS but also other forms and methods of co-operation. *Botswana* is a country that, as it

² Department for Infrastructure and Economic Co-operation (INEC), Division for Contract financed Technical Co-operation (KTS).

developed, moved from traditional partnership to becoming a KTS partner country.

- *Mozambique* is a traditional partner country.

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

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 (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. 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.

As mentioned above, local ownership is conceived in Sida both as a means (to the extent that it increases the effectiveness, efficiency and sustainability of projects) and as an end, valuable and desirable for itself. This evaluation is required to focus more on ownership as an end in itself, although effectiveness may be taken into account to the extent that it affects local ownership.

While the fieldwork and the document analysis required of this evaluation must pay close attention to the above stated triangle of relations as evidenced in the projects selected and the objectives agreed upon, what the ToR require to be delivered is a policy evaluation of a form of aid, not a series of project performance evaluations.

1.3 This Country Report

Issues of approach and method are presented in Section 2. This is followed by a short and selective overview and discussion of the national context, in Section 3, and by an overview of Swedish assistance to Ukraine, in Section 4. Sections 5, 6 and 7 form the core of this report. Section 5 deals with KTS assistance and particularly the application of the KTS characteristics in the projects examined in Ukraine, Section 6 analyses various aspects and dimensions of local ownership in those projects, and Section 7 relates ownership to the application of KTS characteristics, taking into account the influence of the context. Finally, Section 8 presents some conclusions from the findings in preceding sections

and some questions raised by this country study for the final report. Four annexes contain respectively a list of the questions used as guidelines in the interviews, a set of short descriptions of the projects examined, a list of the people interviewed and ToR.

Inevitably, the present country report has limitations. Its limitations as a piece of policy analysis follow from the fact that, because of the invisibility of the KTS form in Ukraine, and of the lack of local ownership as an affirmed or contested issue on the part of the LPOs (and indeed most consultants), it cannot report as directly as it would wish on what can be credited existentially to this form as regards local ownership. Also the interviews that could be held were perforce mostly with the immediately available project personnel, not policy people as well.

While we made every effort to learn as much as possible for this policy evaluation about project performance, once again it has been necessary for the most part to proceed mainly on the basis of mainly just the perceptions presented to, and analysed with, us by our interlocutors. But we found good circumstantial reasons to take these perceptions seriously.

Chapter 2

Approach and Method

2.1 The Fieldwork

The field team for this country study consisted of core team members for this whole evaluation João Guimarães of the Institute of Social Studies, The Hague and Raymond Apthorpe, part-time Visiting Professor at the National Centre for Development Studies, Australian National University, Canberra, and of Ukrainian team member Oleksander Stegnyy, deputy director of SOCIS, Centre of Political and Electoral Studies, Kyiv, Ukraine. The field team also benefited from the work of Maria Nilsson, who carried out in Sweden a desk study of KTS assistance to Ukraine. Some sections of that study have been adapted for use in the present report.

The fieldwork upon which this report is based took place over the period 19 November to 7 December 2001. The two core team members arrived in Kyiv at the beginning of this period, and were joined after two days by the Ukrainian team member who, already before the fieldwork started, had been active making contacts and organising meetings for interviews with consultants and personnel of local partner organisations (LPOs).

Eight projects³ had been selected for analysis in Ukraine, on the basis of criteria such as project scale and importance, length of co-operation and complexity, sector, type of consultant and how the consultant was selected. The eight projects are:

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

³ A 'KTS project' in this evaluation is understood as comprising one or more agreements on financing of technical assistance contracts with the same local partner organisation (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 local partner organisation side, but including also some other local project stakeholders and, when they were present in Ukraine, representatives of the consultants. Most of the interviews took place in Kyiv, but one of the projects required a visit by two of the team members to Kakhovka, in Kherson *oblast*, in the southern part of the country. Particular efforts were made to reach other stakeholders, but most of those reached appeared to have nominal interests only in the projects. A number of putative stakeholders (other than project personnel) declined to meet with the evaluators. In two cases the project's 'contact group' was either inactive or not yet formed. Nevertheless, the interviews that did take place were most informative.

In some cases, a second and even a third visit to a project was made, so as to deepen understanding reached in the first and to talk with as many of the stakeholders concerned, but most especially project personnel. Visits were also made, wherever useful and practicable, to users and other beneficiaries of project outcomes, as well as other stakeholders.

The questions asked of the LPOs and other stakeholders 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 project content.
- Content of the co-operation.
- Priority of the project, ownership of objectives, stakeholders.
- Origins and demand for the project.
- 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 LPO.

The team also had a significant number of interviews, in person or by telephone, with consultants in Sweden, on the 15th and 16th of November. The interviews were supplemented with analysis of project documents made available to the evaluators by several of the people interviewed – and, in the case of one of the projects, by the Sida desk officer. Interviews with Sida staff were also held, both in Stockholm and in Kyiv. Debriefing was done during week three by the Sida representative in the Embassy and two Sida-Öst officers responsible for this area who were visiting Ukraine at the time.

Every effort has been made in this report to protect the confidentiality of information gathered in the course of this evaluation, and to keep it non-attributable.

2.2 A Discussion and Operationalisation of KTS Characteristics

2.2.1 General

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

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

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

These KTS characteristics are discussed one by one below, and indications are given of how some of them have been operationalised for the

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

2.2.2 A Cautionary Note on Indicators

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

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

Further, where a term is used metaphorically by the people among whom it is current and acted upon, this honorific usage needs to be appreciated as it is, not replaced by something supposedly substantial and measurable. There is in fact always the danger for institutional and policy studies that indicators, however specifically, sensitively, replicably, etc. they have been devised, may come in effect to subvert rather than enhance practical analysis. Some degree of broad allusiveness is part of the data that is not to be lost or analysed away. As temporary ground to stand on, operational definitions may serve an intermediate purpose well. But if taken too literally, too positivistically, they threaten to mislead. Remember they are required in this study for a review of institutional associations and correspondences, filtering and facilitation, not an exercise in causality as in mechanics or physics.

Moreover, evaluation is not a forensic science. It is highly dependent on connoisseurship, experience and judgement gained in earlier studies of other types of aid, even if some of it in the same countries where KTS is found. Obviously, through fair use of common guidelines, shared working

definitions and operationalisations, wanton subjectiveness can be reduced.

Indicators, working definitions and operationalisations such as are given below may serve as useful props to an argument, but they do not replace the need for judgement, are not ‘objective facts’, nor levers or mechanisms. The operationalisation of certain KTS characteristics or aspects of local ownership constitutes only a point of departure for the analysis of relations that forms the core of this evaluation. The indicators defined may provide a certain comparability across projects and countries, and a certain basis of, if not fact, at least reliable information, necessary for the analysis to proceed. However, they are only a first approximation to the reality of those relations. The analysis that follows and builds upon their definition and measurement goes much further, identifying aspects and relations that transcend them, in ways that are difficult or even impossible to predict by the consideration, however thoughtful, of the indicators alone.

2.2.3 Indicators and Scales

When seeking to bring indicators to an argument – indicators never speak for themselves: they must always be argued for or against – there are three aspects to consider at once: *concern, indicator and scale*.

In the present case, the concern is, first, each of a number of KTS characteristics and, later in this chapter, local ownership of different aspects of a project. For each of these an indicator, a proxy, is sought that provides information – indications – relating to the concern, that can be measured or estimated along a scale. From the least to the most quantifiable we may distinguish nominal, ordinal, cardinal and ratio scales.

The present institutional and policy evaluation proceeds mainly through personal interviews and observation, in addition to the examination of project and other documents. Thus the only indicators that may be defined are, in most cases, those that can be ‘measured’ along nominal, or, at best, ordinal scales. In other words, it cannot be expected to find here the sorts of quantitative indicators that lend themselves to being measured along cardinal or ratio scales.

2.2.4 Content of the Co-operation

Normally the content of KTS aid is described as ‘technical assistance’. However, since it may be sought and provided – at least in the countries visited – as much for reasons of institutional change as of simple technology transfer and adaptation, this description is not ideal for all purposes in this case. Rather, KTS aid would be better described as ‘technical and

institutional' assistance – in the case of Ukraine, particularly, for transition from central planning and for setting up a well-functioning market economy.

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

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

Not surprisingly given the nature of this KTS characteristic, this is a nominal scale.

2.2.5 Contractual Arrangement

In the KTS aid form as seen by Sida, the contractual arrangement between Sida, the LPO and the consultant is a, if not **the**, defining characteristic. By using the form of contract financed co-operation, Sida expects or hopes to achieve the following objectives.

First, the LPO (the 'client' in the contract) is expected to learn market practice (as opposed to aid practice) by designing contracts and using them to control the activities of the contracted consultant. *Second*, when the KTS aid form replaces program-based aid (in the context of a country strategy), it is expected to function as a smooth way of organising exit from aid to the country by offering technical assistance for some time beyond the end of the country strategy. *Third*, the KTS form is seen as a way of helping, in the context of transition, countries in East Europe to set up market economies. At Sida, KTS is seen as a clean way of organising aid, with Sida's role limited to financing the contract.

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

At least in theory, the contract defines clearly the mutual obligations between consultant and LPO, and empowers the LPO to act as the buyer as

in a ‘normal’ commercial relation. However, all finite contracts are incomplete: no matter how much effort is put into identifying possible alternatives, some remain undefined and are not provided for. At the same time, empirically, the power that the contract is supposed to confer on the LPO as buyer of services can only be detected when it is exercised. However, in most of the cases studied by this evaluation, the contract-power that for some people in Sida so strongly characterises the KTS form was not identified by LPOs either as a striking characteristic, or one that potentially at least enhanced their ownership of the project concerned. For this reason it was important for this evaluation to establish how such matters are seen, and whether such power is used or not, by the aid recipient.

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

- *Irrelevant/redundant*: The LPO made no explicit attempt to use or invoke the KTS contract to mediate its relations with the consultant.
- *Low*: The LPO has tried to invoke the KTS contract in order to exercise influence upon the consultant, without much success.
- *High*: The LPO has successfully invoked the contract in order to exercise influence upon the consultant.

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

2.2.6 Sida’s Role

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

Different parties in the triangle may have different perceptions as to whether Sida’s role is as limited in KTS projects as it is stated to be, or felt that it ought to be. Allowance must of course be made for perceptions that Sida, as the donor, sets the rules for access to and operation and evaluation of KTS, and stays in both distant and close touch in non-contractual ways through its desk officers and others. There may also be differences according to which aspect of the project cycle is considered, and given most importance. In Sections 7.6 and 7.7 below these aspects of Sida’s role are discussed at some length.

In addition to these aspects, it is important to assess the direct involvement of Sida in the day-to-day running of the project (what could be de-

scribed as the degree of its ‘hands-on’ involvement⁴). The indicator characterising the role of Sida in this case relates to the *extent of Sida involvement in project formulation and implementation (including selection of the consultant)*. This indicator takes the following values:

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

2.2.7 The Meaning of ‘Demand-Driven’

To ensure local ownership, Sida requires that KTS projects be demand-driven. In other words, the agency’s role is meant to be mainly reactive, to meet the mainly proactive role of the would-be LPO.

Checking whether KTS projects were demand-driven involves considerable conceptual and operational difficulties. The ToR for this evaluation tended to identify ‘demand-driven’ with ‘initiated by the LPO’. Further elaboration in turn led to the question ‘who had the initial idea for the project?’ Unfortunately, in most cases the questions of who initiated a project, or who had the initial idea for it, are neither meaningful nor easily researchable questions for this evaluation. Especially with successful projects, it is literally impossible, within the constraints under which this evaluation has worked, to trace the origins and evolution of the idea that gave rise to a project. Even if nobody deliberately tries to hide anything or to distort the truth, different people tell different stories – and such stories are all the evaluation can have access to. They are often different enough to make them incompatible. Given the constraints on this evaluation, it would be pointless – and it may also not be very important – to engage in the research necessary to make them compatible.

Given these difficulties, it is understandable that ‘demand-driven’, as we have seen the term used by Sida in this evaluation, most often meant simply that there was, at some point, a request for the project, issued by some local organisation and supported by the local agency or ministry in charge of co-ordinating aid⁵. Presumably, someone in Sida also tried to make sure that the demand for it was genuine. All this has little to do with

⁴ Note that ‘hands-off’ and ‘hands-on’ are not necessarily exclusive or contradictory descriptions when for example the latter applies to say financial control and the former to daily running of a project.

⁵ It also does not help much to see who actually produced the project proposal. An analysis of a number of projects indicated that there seems to be a difference in practice between INEC and Sida-Öst, in that in INEC the proposal should come from the LPO (even if sometimes it was prepared with support from the consultant), while in the case of Sida-Öst several proposals seem to have come directly from the consultant.

the question of who had the original idea. Even if the original idea was Sida's or a consultant's, and if one or the other of these actors played a strong role in selecting, formulating and promoting the project, it would only be considered for funding if requested by some local organisation. It is, therefore, to be expected that for every approved KTS project there are, somewhere in the files, signatures of responsible persons in the recipient country, asking for it. All KTS projects are demand-driven in this trivial sense.

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

The challenge here is to find an interpretation for this expression that is close enough to its everyday meaning to make sense, and yet different enough from the ownership of objectives to allow treating it as a KTS characteristic. In this study, a project is defined as 'demand-driven' if it responds to a need on the part of the LPO, and if there was an awareness of that need on the LPO side, at the time the proposal was made. This definition can be justified on the grounds that (a) both those elements are required for a demand to be expressed, and (b) the demand will tend to be stronger the more strategic the need, and the stronger the LPO's awareness of that need⁶. It also allows a relatively easy assessment of whether a project was demand-driven. Interpreted in this way, the fact that a project is demand-driven does help Sida to select cases where local ownership is likely to be high, especially if this requirement is combined with that of competent local partners.

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

2.2.8 Cost-Sharing

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

⁶ This definition is in broadly line with Sida's *Contract Financed Technical Co-operation* (May 2000, p. 5) where it is said that projects that can receive support 'refer to activities which are of strategic importance to development in the partner country'.

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

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

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

To come to a judgement about cost-sharing it may be relevant also to ascertain how important the cost contribution is in terms of the LPO's own, non-project, budget. In other words, the terms 'some sharing' and 'a significant proportion', used above, have to be seen not only in relation to the project budget but also, and perhaps more importantly, to the LPO's available resources⁷.

2.2.9 Limited Projects

As the Terms of Reference for this evaluation indicate, 'to avoid aid dependence and ensure continued strong local ownership' KTS projects are supposed to be limited both in duration and in terms of their financial volume⁸. The second of these characteristics relates primarily to the fact that they tend to be relatively short consultancy projects, with a small material component or none at all.

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

⁷ It is very general as regards project aid, not only KTS, that a contribution to local costs is required of the local partner. However, the importance of cost-sharing may not be seen in the same way by the local partner as by Sida. For example what may be uppermost, on the plane of project costs, to the LPO may be the proportion of total costs spent on the Swedish consultants, activities in Sweden, a rule against supporting local consultants costs, etc. In which case little if any significance may be attached by the LPO to cost-sharing.

⁸ It is also worth mentioning that, in interviews with Sida-Öst, the rationale presented for the limited duration of projects was completely different from the above. Limited duration projects were seen as an instrument of flexibility in situations where the co-operation takes place in a constantly changing and very uncertain environment. In this context, the device of structuring co-operation as a series of limited projects was seen as combining the advantages of flexibility with those of building long-term relationship with the LPOs.

The 'limited in time' characteristic relates to the extent to which the project is a once-off intervention. However, where an individual project tends to be one in a sequence, although it might appear, on paper, the result of a stand-alone decision, it is important to capture both the history of the project and expectations of the LPO and the Swedish consultant as to what might come 'next'. It must also be observed that, where institution-building is the content of the 'technical co-operation', presumably all parties would agree anyway that what is required 'takes time'.

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

- *Low*: The project is a medium term project and the LPO hopes or expects the co-operation with Sida to extend after it (as it may well have extended before).
- *Medium*: The project is short and clearly one of a series (as possibly indicated for example by a contract headed 'Phase 1' or 'Phase 2' or 'Final Phase').
- *High*: The project is a short, once-off event where the LPO does not want or expect either new phases or new projects funded by Sida to follow.

2.2.10 Competent Partners

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

Competence is used as a selection criterion for choice of local partner in the first place and, as such, it is clearly a relative concept: 'competence for ...' rather than simply 'competence', is what needs to be assessed. It is also a characteristic of the LPO which can and does change: it is both possible and desirable for the LPO's competence to increase substantially during the project.

This evaluation distinguishes the following values.

For technical competence:

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

For organisational capacity:

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

2.2.11 Swedish Consultants

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

(a) Characteristic type of organisation

The consultant may be a private company; a non-governmental organisation (NGO); a semi-public agency; or, a Swedish government agency or the consultancy arm of such.

(b) Professional competence

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

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

- *Medium*: The consultant has just about enough competence to be able to carry out its duties in the project.
- *High*: The consultant has considerable competence and can easily carry out its duties in relation with the project, both in terms of transfer of technical knowledge and in terms of management⁹.

2.3 Ownership: Some Aspects and Indicators

2.3.1 General

It is evident from the ToR and from some of our discussions in Stockholm that, for Sida, ‘local ownership’ is a key issue for ‘good co-operation’. Whether this is similarly the case for the aid recipient is of course another matter. As noted elsewhere, the fieldwork suggests that project success may be more important to the LPO and other stakeholders than local ownership. It must be noted that our interlocutors *never* brought this concept into their discussions with us. Unless it was specifically injected into a discussion and analysis, the concept – not just the word – local ownership simply did not arise. It was not, in these exchanges, an explicit – whether affirmed or contested – issue. Local ownership could nevertheless be said to be potentially implied or subsumed when for example a project and its activities are seen as being closely identified with the work – perhaps also the identity – of the organisation whose project this is.

2.3.2 What is Owned, by Whom

A development project may be seen as a number of *processes* that are set in motion, guided and co-ordinated in order to transform material and non-material *inputs* into certain material and non-material *outputs or results*. Non-material results include for instance transfer of knowledge and institutional development. Project results are expected to lead to the achievement of one or more (*specific*) *objectives* and these in turn to contribute to the achievement of a *general or development objective*¹⁰.

A working definition of ownership therefore requires some key distinctions: between ownership of *material inputs and outputs (i.e. objects)*, of *non-material inputs and outputs* (particularly, in the case of KTS projects, technical knowledge), ownership of *objectives* and of *processes*. Ownership

⁹ Note that where, as regards what is portrayed as a successful project, it is said by the LPO that ‘everything depended on the consultant’, ‘the consultant was excellent’, etc., this comment may apply to the consultancy company involved, one or other of its core staff or partners, or a sub-consultant i.e. those hired by the company but for example not named in the contract.

¹⁰ This formulation deliberately uses the view of projects that underlies the Logical Framework Approach.

has different meanings in each of these references. This implies that in at least some of them the term is used metaphorically. Prescriptive meanings of the term tend to be more honorific and metaphorical than descriptive meanings. However, the latter may be this too.

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

Ownership by an organisation of the *knowledge outputs* in technical assistance projects requires the mediation of individuals and the associated individual acquisition. In other words, the organisation acquires knowledge to the extent that this becomes personal knowledge of certain of its individual members, who then put such knowledge to the use of the organisation.

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

For this evaluation, ownership of *project processes* means the assumption of responsibility for project formulation, implementation and control. Ownership in these regards may be different in different stages of the project cycle. An LPO may have the necessary competence to analyse its own situation and formulate its main needs (and a project that responds to these), and yet lack the competence to take full responsibility for say the management of the project thus identified. Then it may be forced to rely on the consultant for that. The consultant also, in many of the cases we studied, mediates between the LPO and Sida whenever necessary.

All the definitions of ownership given above are compatible with ownership by an individual, an organisation, or even a group of organisations and/or individuals.

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

From all this we may conclude that just what is or ought to be meant by ownership, as in local ownership, is never self-evident, is always nuanced, may be more implied than explicit, and is sometimes subsidiary or even redundant or irrelevant at the level of explicit discourse and analysis about KTS (and other) project aid.

2.3.3 Indicators of Ownership

General

The purpose of going here into indicators and scales for ownership is to reduce subjectivity in judgmental perceptions that assess different kinds of ownership. However, the operative word is ‘reduce’. Recourse to indicators does not eliminate subjectivity (or judgement). Rather it helps place this subjectivity within the bounds of inter-subjectivities, to reveal differences between evaluators as to their judgements, and thus to give them at least the chance to resolve them through discussion and negotiation. In other words, the cautionary remarks made in Section 2.3.2 are fully as relevant for indicators of ownership as they are for those which refer to KTS characteristics.

Ownership of Project Outputs

a) Goods and Services

Rights of access, use and property and the corresponding obligations (including fees) will simply be noted and described in this evaluation, with proxies not sought.

b) Knowledge

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

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

- *Low*: The new knowledge is not used or is only sporadically used in the normal activity of the LPO.

- *Medium*: The new knowledge is normally used.
- *High*: The new knowledge is centrally (strategically) used.

Ownership of Project Objectives

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

Ownership of Project Processes

a) Formulation

Formulation is the period and process during which agendas not necessarily owned by the local partner in the triangle of relations that is the focus of this evaluation, but by either Sida or the Swedish consultant (or both of these acting together), find their way into the project.

The local ownership of project formulation may be indicated by the *control of the local partner over project formulation*, as indicated for example by the local partner having yielded unwillingly (or not) to particular elements being included against its preferences such as, for instance, the incorporation of a gender perspective in a project.

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

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

b) Tendering (finding/selecting the consultant)

Did the local partner *control the selection of the consultant or consultants?* There are several types of situations where there is no tendering for consultancy services, e.g. where new projects tend to follow old, a pattern not of individual and stand-alone projects (except on paper), but of projects in a sequence, or where for a particular type of project there exist in Sweden only one or a few consultants with the requisite knowledge. In some cases it also proved difficult to answer the question ‘which came first, the project or the consultant?’, especially where the latter’s (non-project specific) business practices included for example the holding of seminars, exploratory visits etc. with a marketing or public relations effect.

Whenever there is tendering – the exception rather than the rule, but an exception growing in frequency – the LPO is supposed to play the principal role in the selection of the consultant. For this it may sometimes benefit from the short-term support of a consultant especially appointed by Sida. However, the rarity of situations where the LPO played a dominant, or even an explicit, role in the selection of the consultant has led to the removal of this indicator from the analysis.

c) Implementation.

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

Of these three components, ownership of evaluation turns out not to require any indicators. This is because formal, specifically commissioned evaluations are carried out by and for Sida alone inasmuch as the evaluators (be these Swedish or not) are selected by, and report to, Sida. On the other hand, the LPO is expected to play an important role in project reporting, approving progress reports and co-authoring final reports. Thus it may also play an important role in the ongoing evaluation process.

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

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

Finally, management as the term is used here is separate from the interventions by Sida that the two other parties have to comply with.

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

- *Low*: The consultant took the main responsibility for managing the project.

- *High*: The LPO took the main responsibility for project management.
- *Shared*: The LPO and the consultant share responsibility for project management.

The introduction of the third value for the indicator ('Shared') is a consequence of the fact that LPOs value more highly a situation in which they share responsibility for project management with the consultant than one in which they would assume all such responsibility.

Chapter 3

Ukraine: the National and Organisational Context

3.1 A Country in Transition

Despite its importance as a cradle of Slav civilisation, present-day Ukraine was never an independent country until the collapse of the Soviet Union in 1991. Until Western Ukraine was taken over by the Soviet Union in 1945, the Eastern and Western parts of the country had remained separate: the East was ruled by Russia since the time of Catherine the Great, while the West was ruled by the Polish-Lithuanian Commonwealth until the end of the 18th century, then by the Habsburg empire until World War I. Following the confusion generated by the Russian revolution two independent states were briefly created, with capitals in L'viv in the West and in Kyiv, in the East. The two new states were, however, short-lived: at the end of World War I the Soviet army had re-established control over Eastern Ukraine. In turn, the territory of Western Ukraine remained under the control of Poland, Romania and Czechoslovakia until it was taken over by the Soviet Union in 1945. In 1954 the Crimean peninsula was incorporated into the republic, and the country attained its present borders.

The collapse of the Soviet Union led to the declaration of independence by the Ukrainian parliament, on the 24th of August 1991. The speed with which events unfolded at that time and the under-development of a political opposition and of a nationalist movement explain in part why it was largely the same people who had controlled the Communist apparatus that retained control over the independence process. In turn, this fact, together with the power struggle between institutions – most notably the presidency and the parliament¹¹ – in the newly-independent state, goes a

¹¹ The present political system is based on a presidency and a single-chamber parliament with relatively evenly divided – and intensely fought over – powers. The government is appointed by the president and is not elected. The president nominates people to the most important positions of state, e.g., besides the prime minister, the chairmen of the National Bank of Ukraine and of the State Property Fund (the state organism in charge of privatisations). These nominations are, however, subject to approval by the parliament. Both president and parliament have the right to initiate legislation, and the president has the right to veto parliamentary bills. The parliament also oversees government activities, and has to approve the state budget and the annual privatisation programme.

long way towards explaining the hesitant pace at which economic reforms have been approved and implemented, and the length and seriousness of the economic crisis into which the country was plunged following the dissolution of the Soviet Union and the Comecon. Other reasons may lie in the strength of left-wing political groups, generally opposed to reform, and in the fact that the legislative process itself has often been paralysed by the impossibility to form stable majorities in parliament.

In November 1995, Ukraine joined the Council of Europe and in June 1996, a new constitution was approved.

3.2 Economic Situation

3.2.1 Crisis and the Beginnings of Recovery

After Russia, the Ukrainian republic was the most important part of the Soviet Union, in economic terms. Its fertile black soil, considered one of the best agricultural soils in the world, generated more than one-fourth of Soviet agricultural output, and it exported significant quantities of meat, milk, grain, and vegetables to other republics. Its heavy industry supplied equipment and raw materials to industrial and mining sites elsewhere in the USSR.

It is well known that, after the disintegration of the Soviet Union in 1991, the former Soviet republics experienced crises amounting in many cases to economic collapse. Ukraine was one of the most seriously affected; after independence in late 1991, the government liberalised most prices and set up a legal framework for privatisation, but hesitation about and widespread resistance to reform, within both the government and parliament, stalled reform efforts. Loose monetary policies led to an episode of hyperinflation in 1993, since controlled¹²; output in 1992–99 fell to less than 40% the 1991 level, and GDP *per capita* is now lower for Ukraine than for almost all its neighbours.

Ukraine inherited from the Soviet Union an industrial sector owned by the state and characterised by the predominance of heavy industry (e.g. steel, chemicals, shipbuilding, coal, and machine tools), using mainly outdated technologies. Unfortunately, the continuance in power of many of the same people who had a vested interest in the survival of the old centrally planned system and the lack of a consensus about reform limited the necessary industrial diversification and aggravated the contraction in the sector. Although more than 80 per cent of all enterprises had been privatised by 1999, the government retained controlling shares in many,

¹² The rate of inflation in 1994 reached almost 900 per cent. Current inflation is estimated at less than 15 per cent.

which allowed the former communist directors to maintain control and slowed down the growth of productivity. Government figures indicate that the country's recorded industrial output fell by more than half between 1990 and 2000¹³.

Agriculture did not fare much better in what used to be known as the 'bread-basket' of the Soviet Union. Agricultural yields also fell by more than half during the 1990s, largely due to shortages of inputs and slow progress in land privatisation¹⁴ and in introducing market mechanisms in the sector. At the same time, and for obvious reasons, activity in sectors closely linked with agriculture and heavy industry, such as transport and energy, also contracted over the same period.

The end of 1999 seems to mark a reversal in the long economic decline of Ukraine: GDP, productivity and real wages finally started to rise slowly in 2000, a rise that continued, and even accelerated, into the first half of 2001. GDP is estimated to have grown by almost 6 percent in 2000, and is expected to grow even faster in 2001.

3.2.2 Economic and Social Consequences of the Crisis

The long post-independence recession has had serious economic and social consequences. Predictably, government revenue paralleled the decline in the official production sector. After a period of high budget deficits, the government was forced to limit its spending. As a consequence, pension and public-sector wages arrears grew quite fast, reaching about 8 percent of consolidated budget revenue by 1999.

The precipitous fall of GDP associated with the crisis caused deterioration in living standards, with wage levels dropping by more than 60 percent between 1992 and 2000, and many people being paid in kind or several months late. Average monthly wages in US dollar terms in April 2001 were estimated at just over \$50, with senior public servants earning about \$100 per month¹⁵. At the same time, unemployment, unknown almost by definition during the Soviet period, is now estimated to stand at some 20 percent¹⁶. Poverty grew: the 1999 UNDP Human Development

¹³ This was, however, in part compensated for by the development of the shadow economy, which is thought by some people to be about half the size of the official economy – but of course generates little or no revenue for the state.

¹⁴ Land reform efforts since 1994 have been resisted by the state agricultural officials and managers of collective farms, trying to preserve the old system and their own privileges. The Land Code has only recently been adopted by Parliament, and a large part of the necessary regulations is yet to be finalised.

¹⁵ Two additional pieces of information seem relevant in this respect: first, these figures do not take into account the shadow economy; secondly, Ukrainian households derive around 50 percent of their real income from non-wage sources.

¹⁶ The official figure of around 5 percent is widely acknowledged to be an underestimate, largely due to the fact that low unemployment benefits do not provide much incentive for unemployed workers to register.

Report for Ukraine estimates that approximately 30 percent of the Ukrainian population is poor, including 15 percent that are destitute. A significant proportion of the poor are pensioners. Many pensioners find themselves in situations of destitution, particularly when they can no longer supplement their pensions by doing some work.

The situation of the poor was further aggravated by the fact that, as a result of the crisis, expenditure in the social sectors of the economy, such as education and especially health, also suffered. With increasing poverty and falling public spending, the nutritional situation and health of large sections of the population experienced substantial deterioration, and the incidence of poverty-related diseases, such as tuberculosis, increased significantly.

Perhaps the best indication of the seriousness of the crisis and of its repercussions upon social and economic conditions in the country is the decline in population by more than two million over the same period, from 51.6 million in 1990 to an estimated 49.4 million in 2000. This decline was a result of higher mortality rates, lower birth rates and net out-migration, caused primarily by the deterioration in economic and social conditions consequent on the crisis.

An underdeveloped civil society

Like other post-Soviet states, Ukraine has received from its Soviet past a heritage of paternalism. Many citizens reportedly find it difficult to fight for their rights without help, and more generally to assume full responsibility for their own lives. This post-totalitarian society is characterised by widespread pessimism, expressed in terms of dissatisfaction with life, lack of confidence in the future and distrust of the authorities.

Public opinion in Ukraine has not yet focused on the problems of democratisation, which remain overshadowed by social instability and the struggle for survival. According to surveys, material conditions and personal security are the foremost preoccupations of individuals, and the general population has little trust in the main social institutions and power structures of the country. The general attitude to politicians tends to follow a pattern of high expectations followed, as reality asserts itself, by disappointment and cynicism. Despite the achievements of certain NGOs, particularly in the environmental sphere, Ukraine may be characterised as an as yet rather underdeveloped civil society.

3.3 The Special Context of Public Organisations

The current public administration system in Ukraine has been described – by Ukrainians – as inefficient, and as “an eclectic mixture of institutions inherited from the Soviet era and new institutions set up during the inde-

pendence period. Being inconsistent, contradictory, incomplete, cumbersome and detached from the people, this system interdicts sound social, economic and political reforms” (State Commission for Administrative Reform, 1998: 3). The current system has a number of characteristics that require reform in order for the system to function effectively. These include, among others:

- lack of a reasonably complete legal framework to regulate state administration;
- a strongly hierarchical public administration system, with strategic decisions taken only at the very highest levels of Government;
- a tendency to burden top decision makers, including the Prime Minister, Vice Prime Ministers and government ministers, with responsibilities for minor administrative issues;
- lack of a clear distinction between political and official positions and of a professional civil service;
- considerable involvement of the state, through state bodies and state-owned enterprises, in industrial production, commercial activities and delivery of services;
- conflicts of interest between government ownership of enterprises and ministerial responsibility for regulating markets;
- service provision determined centrally, with minimal or no decentralisation to local governments;
- extreme scarcity of resources available to public organisations, particularly for non-routine expenditure;
- a mismatch between the quality of technical and professional training of public servants and the effectiveness of the organisations where they work;
- very low pay and conditions for government officials, even at senior levels; and
- considerable degree of corruption among government officials¹⁷.

The Soviet practice of subordination of the public administration in the republics to Moscow, where most of the strategic decisions were made, tended to populate the administration in the republics with ‘followers rather than leaders’; the suddenness of independence meant that many of these people remained in positions of responsibility. Consequently the tendency, normal in all bureaucracies, to avoid making decisions and to

¹⁷ In 2001 the Corruption Perception Index calculated by Transparency International (TI) takes, for Ukraine, the value 2.1 on a scale of 10 (where 10 = highly clean). The country is placed in 83rd position among the 91 countries surveyed by TI, immediately below Ecuador, Pakistan, Russia and Tanzania and immediately above Azerbaijan, Bolivia, Cameroon and Kenya.

refer them to higher levels seems stronger in Ukraine than elsewhere. Public servants, particularly those in intermediate levels, reportedly tend to avoid taking risks (such as the risk of making a mistake, or of making a decision that would displease a hierarchical superior). This results in an ineffective system of public administration. The lack of professionalisation of the civil service and the uncertainty that follows from the lack of a clear legal framework, mentioned above, aggravate this tendency¹⁸.

The system therefore appears in need of deep and serious reform. In 1998 the State Commission for Administrative Reform produced a paper entitled 'Concept of Administrative Reform in Ukraine' which led to an increasing recognition in Ukraine of importance of and need for administrative reform as a pre-condition of wider economic and social reform. This document formulates as an objective "the gradual development of such a public administration system [as] will help Ukraine evolve into an advanced, law-governed, civilised European nation with high standards of living, social stability, culture and democracy". Europe and, in this case, particularly European public administration, appear as important references in this respect¹⁹.

Starting in 1998, some elements of administrative reform have gradually been introduced, primarily by the President, aimed at

- reforming the organisational structure of central government and executive power bodies;
- making the ministries and, within them, the ministers, the key elements in the creation of policy and the process of administration itself; and
- strengthening institutional capacities of the public administration system.

Although there is a growing awareness of the need for administrative reform, the general environment is not ideal for public sector reform. Political support for reform is weak and fragmented and tends to subordinate

¹⁸ We must be careful, particularly in evaluation contexts, to avoid the danger of falling prey to stereotypes when describing behaviours, particularly when non Ukrainians say about 'Ukrainian culture' that it does not reward risk or innovation (as in 'Ukrainians think it is better to attempt less than to risk failure', etc.). As with most generalisations about what are termed 'risks', whether they are seen to be worth taking or not depends on which – and whose – risks they are. This may be true especially when what is at stake is whether a project can or cannot survive, given what it has aimed at – and done – to date. After all, if bureaucrats and others in Ukraine always 'avoided risk', 'eschewed innovation', etc., would the country have any development projects at all?

¹⁹ This evaluation found a strong awareness among its Ukrainian interlocutors that, once the forthcoming enlargement of the EU is accomplished, the country will have a long common border with the Union, and could be next in line for integration. Such integration, though not an immediate prospect, must be kept in mind, particularly because of the requirements and implications it has in terms of institutional development.

reform objectives to other, more strategic, power struggle objectives; there is competition rather than co-operation among different branches of government to exercise power and influence; and the real incomes of state officials continue to fall. Under these conditions, both public administration reform and its positive effects upon the effectiveness of administration must be seen in a medium or long term perspective.

Chapter 4

Swedish Assistance

4.1 Introduction

Swedish support to Ukraine started in the early 1990s through the Svenska Institutet (the Swedish Institute), an independent aid agency that mainly concentrates on cultural exchange, exchange of experts, courses, conferences and scholarships. Almost simultaneously, support from Swedish International Development Authority (Sida) started in a very small way, channelled through NGOs. 'Proper' east support did not start until 1994/95 and the Board for International Technical Co-operation (BITS) decided on only two projects, Local Democracy and Land Information Systems, before the merger of Swedish aid organisations in 1995. Only Land Information Systems received any funds from BITS.

The marked increase in disbursements in 1999 corresponds to the decision by the Swedish government to make Ukraine a programme country and to the corresponding adoption of a country strategy for 1999–2001²⁰.

During the entire period, the KTS financing format has dominated and the 'other' category has mainly consisted of items like financing of election observers, costs for developing the country strategy etc. However, in 2001 there was a change when the first disbursement of a three-year commitment to the World Bank International Finance Corporation's (IFC) project of Agribusiness Development was made²¹. This trend will probably continue since the Waste Water Project in Lviv that was approved in 1998 has similar characteristics. Disbursements to this project have so far been withheld, waiting for a lending agreement between Ukraine and the World Bank to be signed but, according to the Ukraine desk officer, the lending negotiations are finally approaching a conclusion (E-mail correspondence 20–09–2001).

²⁰ Interestingly, the negotiation with Ukraine on the priorities for the strategy were held in September of 1999 and the decision was made in December 1999, even though the strategy covers the period from January 1999. The Ministry for Foreign Affairs comments that this delay was due to political tension in Ukraine. However, this does still not explain why the strategy period could not start in January 2000. The proper explanation for this is probably that the increase in economic commitment had already been decided and it is difficult to justify unless there is a strategy covering the period.

²¹ Unlike the Lithuanian trust funds, this project can not be classified as KTS even by a broad definition of the concept, since there is no tie to Swedish consultants and the funds are not necessarily for technical assistance.

Table 4.1: SIDA/Sida Disbursements to Ukraine²³ ('000 SEK current)

	90/91	91/92	92/93	93/94	94/95	95/96	1997	1998	1999	2000	2001*	Total
KTS	0	0	0	0	0	8661	13072	13358	27603	31859	14333	108886
Start East	0	0	0	0	0	306	236	0	0	925	0	1467
NGOs	0	213	60	296	146	410	282	0	1091	1542	-56	3984
Other	0	0	0	0	0	180	143	76	83	1203	6500	6855
Total	0	213	60	296	146	9251	13733	13434	28963	35529	20777	122758

* First six months

4.2 The Country Strategy

From 1999 Ukraine has been included among the priority countries in Eastern Europe with which Sweden co-operates, and a country strategy for Swedish development co-operation with Ukraine, covering the period 1999–2001, was approved. The rationale for including Ukraine in the group of programme countries is based on the country's size and geopolitical position in Europe, which make its development 'economically and politically interesting to Sweden'.

The strategy places special emphasis upon the following broad areas of co-operation:

security co-operation (combating international and organised crime, developing skills relating to asylum and migration policy, developing a contingency capability to deal with emergency and rescue services), **deepening the culture of democracy** (local self-government, support for the development of civil society, establishment of the rule of law, support to the development of free and independent mass media), **support to public administration** (support for general administrative reform, property registers and land reform, development of labour-market institutions, statistics, co-operation in the tax sphere, developing skills and regulations concerning public procurement)²⁴, **trade and business development** ('Start East' programme, reinforcing legislation and official authority in areas such as customs, ownership, competition and consumer protection, support to programmes for the development of the private sector implemented e.g. through the IFC and the European Bank for Reconstruction and Development [EBRD], support to the forest sector, restructuring and development of the food industry)²⁵, **support for**

²³ This does not include the contributions to the regional projects since in those projects the specific contribution to Ukraine can not be singled out. However, these disbursements are minor.

²⁴ This category accounts for at least 40 percent of total disbursements and the Land Information project is both the oldest and so far the largest project in Ukraine. The only field that seems not to have been touched at all is the last one, regarding taxation.

²⁵ All areas except the last one have received support during the strategy period.

social sectors (developing systems of social insurance and social services, training of social workers) and, finally, **support for environmentally sustainable development** (better water supply and sewerage management, reducing air pollution, increasing energy efficiency, nuclear safety).

Chapter 5

KTS Projects in Ukraine

5.1 General

The majority of Swedish aid to Ukraine now is in the KTS form. The most important sector is Democratic Development and Institution Building with an average of about 70 percent of total KTS support during the 1990s (ranging from 52 to 83 percent). Infrastructure is second, with the Agriculture and Forestry sector a close third (see Table 5.1)²⁶.

Gender is an area that has seen much increase, particularly during the later part of the period. In most of these projects United Nations Development Programme (UNDP) replaces the local partner as a party to the contract, since the potential local partners lack the administrative capacity and one of the aims of the projects is institution building.

On the one hand, it could be argued that these are not KTS projects due to the lack of competent partners. On the other hand, the projects fulfil all the other criteria and the desk officer views them as KTS project. They are also not UNDP projects as such, since UNDP is only standing in for the local partner. Here they have been classified as KTS.

An interesting feature of KTS projects in Ukraine is that alongside 'normal' KTS projects such as can be found in most countries there are some 'special' if not unique projects. These include Training of Teachers in Home Economics, Implementation of New Methods in Ukrainian Agriculture (both of which have been examined by this evaluation) and various gender projects.

²⁶ Both these sectors are predicted to increase their shares of total aid to the country through the Lviv Waste Water Project and IFC's Agribusiness project, but neither of these is KTS.

Table 5.1: Disbursements to KTS projects in Ukraine ('000 SEK current)

	94/95	95/96	1997	1998	1999	2000	2001*	Total
Dem. Dev. & Inst. Buil.	n.a.	6850	9405	8881	22702	16726	8891	n.a.
Local Democracy	0	2417	1543	964	3820	1044	117	9936
Land Information	n.a.	2146	3135	1783	11519	4117	4322	n.a.
Visit Parliamentarians	0	248	0	0	0	0	0	248
Statistics	0	1618	1204	338	230	1119	313	4822
Journalists Training	0	203	938	64	1605	502	525	3836
Employment Services	0	218	618	1541	1311	1523	0	5211
Social Workers	0	0	1690	3768	1679	2798	924	10856
Public Procurement	0	0	277	423	1383	1497	238	3478
Public Adm. Reform	0	0	0	0	1155	4126	2452	7733
Legal System	0	0	0	0	0	0	51	51
Health	0	88	0	0	0	0	0	88
Infrastructure	0	828	1088	1477	190	7068	2633	13284
Heating	0	828	1088	1405	0	0	0	3321
Water Management	0	0	0	72	155	2779	930	3936
Kyiv Energy Efficiency	0	0	0	0	35	4289	1703	6027
Trade	0	0	1236	178	0	258	0	1672
Trade Del.	0	0	518	0	0	0	0	518
Advantage East	0	0	488	0	0	0	0	488
Arbitration	0	0	230	178	0	258	0	659
Finance & Ec. Infra.	0	272	1343	485	834	551	0	3485
Nat. Audit Office	0	272	0	0	0	0	0	272
Treasury	0	0	257	0	0	0	0	257
Treasury Chamb. of Acc.	0	0	0	54	0	0	0	54
Insurance	0	0	983	230	834	551	0	2597
Pension Reform	0	0	103	201	0	0	0	304
Agriculture & Forestry	0	623	0	970	2882	5410	1456	11341
Forest Master Plan	0	623	0	970	2646	2713	0	6951
Home Economics	0	0	0	0	236	1425	0	1662
New Methods	0	0	0	0	0	1272	1456	2728
Gender	0	0	0	1367	995	1846	1080	5056
Total	n.a.	8661	13072	13358	27603	31859	14111	n.a.

* First six months.

5.2 The Application of KTS Characteristics

In this section we first present, in tabular form, the values at which this evaluation arrived for each of the indicators referring to the form of application of the KTS characteristics in each of the projects analysed. This information is both complemented and elaborated upon in the subsequent discussion, which focuses on the way in which each of the KTS characteristics was applied, in the eight projects examined by this evaluation.

5.2.1 KTS Characteristics in Ukraine: a Synoptic View

Table 5.2 presents the values of the indicators referring to the application of KTS characteristics, for each of the eight KTS projects examined in Ukraine. The use of question marks in some cells of the table indicates that the evaluation team could not, on the basis of the available evidence, come to a firm conclusion as to the respective characteristic. All the assessments in the table are with regard to the current or most recent phase of the respective project.

5.2.2 Content of the Co-operation

The content of the co-operation refers to activities associated with the main *explicit* objectives of the co-operation. It must, however, be kept in mind that, all projects also serve a set of important *implicit* objectives, foremost among which are objectives relating to technical assistance for institutional and capacity building towards a market economy, development of relations of partnership, etc.

As the table indicates, consultancy – to which the transfer of knowledge is normally associated – is the most frequently found content. Training (in the sense of formal training) also makes several appearances, some as the only aspect of the co-operation (such as in the two ‘pure’ training projects, Training of Social Workers and Training of Teachers in Home Economics), others as a more or less important element in projects characterised by a diversity of contents.

Table 5.2: Application of KTS Characteristics in Projects in Ukraine

Project	KTS Characteristics									
	Main content of co-operation	Use of contract power	Direct involvement of Sida	Cost-sharing	Demand-driven	Limited projects	LPO Competence		Swedish Consultant	
							Technical	Organisational	Type of Organisation	Competence
Forestry Master Plan	C	I	H ⁽¹⁾	L	Y	M	H	M	SemiPublic	H
Land Registration	C + K + T	I	M	H	Y	M	H	H	SemiPublic	H
Training Social Workers	T	I	H ⁽²⁾	L	Y	M	M	H ⁽³⁾	Private	H ⁽⁴⁾
Public Procurement	C + T	I	M	L	Y	M	H	H	Private	H
Public Admin Reform	T + C	I	L ⁽⁵⁾	L	N	?	? ⁽⁶⁾	L	Private	H
Home Economics	T	I	M	H ⁽⁷⁾	Y/N ⁽⁸⁾	H	M	H	NGO	H
Agriculture Techniques	C + K	I	M	L	N/Y ⁽⁹⁾	M	H ⁽⁸⁾	?	SemiPublic	H
Committee of Statistics	C + K + T	I	L	L	Y	M	H	H	SemiPublic	H

Legend: C: consultancy T: training K: transmission of (implicit) knowledge
H: high M: medium L: low I: irrelevant ?: unclear

Notes on Table 5.2:

- (1) Sida was and continues to be represented by a specially appointed forestry consultant, who closely monitors the project and advises the LPO on behalf of the agency.
- (2) The changes in the position of the consultant, who started as a Sida consultant and later became the consultant for the project, mean that Sida's agenda was present throughout the whole project.
- (3) This takes into account the organisational role played in this project by the concerned *oblast* (regional) administrations.
- (4) This does not reflect the concerns about the competence of some of the sub-consultants involved.
- (5) This reflects the fact that the project is part of a broader effort, co-ordinated by the World Bank.
- (6) This reflects the fact that it is not clear who the LPO is, except in relation to certain specific activities. Whoever caused it, the organisational mess in this project earns it a score of 'Low' for organisational competence.
- (7) By the beneficiaries. It should be added that the so-called client reported having executed the whole project on an unpaid basis.
- (8) No for the LPO, who did not ask for the project. Yes, for the agricultural colleges that asked for the project.
- (9) No for the LPO (the *oblast* administration), hardly involved in the project at all. Yes, for the farmers/beneficiaries.

An aspect relating to the content of the co-operation which is not reflected in the table concerns the provision by the projects of material inputs. Such provision is not normally financed, except when the material inputs consist of a minor equipment component in know-how development projects financed by Sida. Operational costs are not supposed to be financed at all, since the local partner is supposed to have adequate financial resources to finance its own activities, including necessary administration. In practice, however, in one of the projects visited by this evaluation the LPO reported substantial material inputs in Phase I of the project, which decreased somewhat but were still considerable in Phase II. It must be added that this was reported in very positive terms as a sign of Sida flexibility, realism and commitment and that, on the basis of the limited information available to it, this evaluation finds no reason to disagree with this judgement.

5.2.3 Contract, Contract Power and its Use

The contract that is at the centre of the KTS concept and that gives KTS its name is supposed to empower the LPO – the client – in its relation with the consultant. For this reason, and alerted by the experience of the Lithuania country study to the possibility that the LPO's perception of the contract and what it involves may be very different, this evaluation made a special effort, in Ukraine, to find instances where the LPO sees or uses the contract as a source of empowerment. Perhaps one of the clearer findings of this country study is the extent to which contract power is not seen by either the LPO or the consultant as being particularly, or at all, significant²⁷. In all cases we found that the LPO made no attempt to use or invoke the KTS contract in order to try to influence the consultant's behaviour. The term used for that situation – 'Irrelevant' – also reflects the attitude dominant among the LPOs concerning this question. They are aware that there is a contract, but ascribe no special meaning to it, do not feel empowered by it, and the thought of referring to it in order to deflect the consultant's behaviour had not crossed their mind until it was raised by the evaluators' questions.

On the other hand, as well the contractual formalities that are obviously part of the KTS aid form, there are fundamentals as well as formalities at play in this like in any foreign aid situation. These include the fundamental (non-KTS) institutions of aid and its programmes, as well as the specifics of particular organised procedures, processes and forms.

For example, some of our interlocutors made a point of remarking that whatever the formal status and importance of this contract, and regardless of its signatories, it remained nevertheless that Sida is after all the financing agency for the aid in question. It is Sida who has set the rules for aid which applicants and others must follow. Indeed it is (mostly) Sida who has selected the consultants (as well as the projects it funds) and who must be reported to at given intervals. It is Sida who insists always to put gender on the agenda but – as two of our interlocutors put it – not the poverty that is rising rapidly in the country.

This identifies the deeper layer of aid reality behind the shallower level of reality that is the signed aid contract or agreement. Yes, the contract signed by the LPO and the consultant gives the LPO a certain power, but, no, this contract is not an instrument that LPOs actually use or need to use. When for example a LPO is not satisfied with the choice of the sub-consultants the consultant may have fielded – who are not named in the contract anyway – it does consider that it has a right to complain and ne-

²⁷ As one of our LPO interlocutors put it, "Sida hires the consultant; we do not pay him: what power?"

gotiate a *post factum* solution, but not because there is contractual provision for the exercise of this right and responsibility²⁸.

As in Lithuania, the contract (with the associated terms of reference, plus the Sida letter of agreement) does play a useful role in defining roles and responsibilities and in regulating relations between the parties. In that sense it is a useful and important instrument of co-ordination and therefore by no means irrelevant to the success of the project or to local ownership. What, in the perception of most LPOs, it does *not* do, is empower them before the Swedish consultant as the client.

This is confirmed by an analysis of the contracts and associated letters of agreement. This evaluation analysed contracts and letters of agreement for most of the projects examined in Ukraine. As is standard in KTS projects, Sida is not a signatory of the contract between the two other parties, rather it sends to the client a letter of agreement where it indicates its commitment to fund the project. As this evaluation has noted in a different country study, Sida is however very present in the contract, in the sense that (i) the validity of the contract is made dependent on Sida's approval; (ii) reports, approved by the client, are to be presented to Sida; and (iii) when evaluation of project performance is mentioned, this is to be carried out by Sida, and the parties undertake to co-operate with Sida for such evaluations.

The contracts stipulate a number of duties and obligations of both parties, indicate which national law governs them (usually, Swedish law), and normally contain provisions for the resolution of disputes that cannot be solved amicably (usually, such disputes should be resolved by arbitration, according to specified arbitration rules, often at the Stockholm Chamber of Commerce²⁹). Sida letters of agreement indicate Sida's commitment to fund the project and further specify rules concerning reporting, payments, audits and independent evaluations. They also specify that the contract between client and consultant has to be approved by Sida.

Two of the projects examined in Ukraine are especially interesting from the point of view of the contract. In one of them, the consultant was contacted by the prospective beneficiaries, agricultural colleges that wanted

²⁸ Not ironically, the one exception among our interlocutors, who in response to our probing did acknowledge that, ideally the contract does give a sense of (procurement) power that could be realistically used, was a representative of, and was speaking for, the public procurement project. Also interestingly, another of the LPO people interviewed indicated that a much greater sense of empowerment was derived from the fact of choosing the consultant (in a tender process) than from the contract itself.

²⁹ This fact, together with the specification of Swedish law as the law that governs the contract, may be a main reason why LPOs do not feel that KTS contracts are more empowering than other aid contracts. In case of a dispute, both the governing law and the venue (when it is Stockholm) – plus of course, in the perception of many of our interlocutors, the fact that both the consultants and Sida are Swedish – would tend to favour the consultant.

training for trainers in Home Economics. The consultant then visited Ukraine, identified parties potentially interested in helping with the start of Home Economics courses. She also selected the local partner from among two organisations which were interested. From the beginning, the role of the LPO has been mainly one of assisting the consultant organise the training, in a position similar to that of a subcontractor, but an unpaid one. None of this is visible in the contract, which is a perfectly standard contract, stating that the client has requested the consultant to provide certain services, etc. It is also noteworthy that, in the reports on the project, the 'client' is hardly mentioned, the principal actors in the project being the consultant and the agricultural institutions which initiated it and are its main beneficiaries.

Something similar happens in relation to the project on Implementation of New Agricultural Methods, where the LPO – Kherson *oblast* administration – has a relatively distant relation with the project, which was initiated by the Swedish-Ukrainian canning firm Chumak, which, despite its central role and the fact that it is, together with the farmers of the area, one of its main beneficiaries, hardly gets mentioned in the contract at all.

These two cases indicate at the very least that the contract is compatible with very different interpretations of what constitutes a client and with very different relations between 'client' and consultant – in other words, a relatively empty shell that may be filled in different ways. In these two cases, the contract was adapted, without much regard for KTS principles, to the needs of the project: a client was needed, so a client was found, and so on. The question of empowering the client is in these two cases almost totally irrelevant.

5.2.4 Sida's Role

In addition to its indirect role in evaluating performance and sanctioning the continuance of project phases, Sida may also be directly involved in project formulation, implementation and monitoring – although of course the KTS theory is that such involvement should be minimal. In Ukraine, this characteristic of KTS shows considerable variation between projects. Sida's direct involvement is low in two projects, namely Public Administration Reform (where the World Bank played the lead role) and Support to the Committee of Statistics, where most of the contacts with the LPO were, from the beginning, made by the consultant. Sida seems to be more directly present in several other projects (e.g. New Agricultural Techniques and Home Economics, where Sida played a key role in formulation and approval of the projects, or Public Procurement, where the LPO reported frequent and positive contacts and consultation); this may be partly a consequence of the presence in Kyiv of a spe-

cial Sida representative and of the active interest of all the Sida-Öst staff concerned. Finally, there are two projects where, for different reasons, such presence is rather strong: the Forestry project, where a specially appointed consultant in forestry represents Sida, monitors progress, gives advice, etc.; and the Training of Social Workers, where the fact that the consultant that finally implemented the project first came to Ukraine at Sida's service means that Sida's agenda was present throughout the whole process.

It must also be added that, even in those projects where Sida's presence is most evident, LPOs tend to formulate that fact, at least to this evaluation, in positive terms as an expression of the interest and support of Sida, rather than as unwanted interference.

5.2.5 Demand-Driven Projects

Almost all the projects examined can be described as demand-driven, according to the definition given in Section 2.2. In two of the cases, the main source of the demand was not the LPO (see Section 5.2.3 above), but even those cases may be described as demand-driven, in the sense that the beneficiaries took an initiative to ask for the projects, and remained involved in their implementation³⁰.

The only exception is the Public Administration Reform project, where there is, even to an outsider, an obvious strategic need which is, however, relegated to a secondary position because of the power games going on among the main political actors, which had led, at the time of this evaluation, to the LPO (Working Group for PAR) becoming at least inactive, if not actually having been dissolved.

5.2.6 Cost-Sharing

Cost-sharing is also expected to guarantee that projects are supported and prioritised by the LPO. As Table 5.2 indicates, cost-sharing in KTS projects in Ukraine is generally low, with two notable exceptions: the Land Registration Project, where the LPO disposes of considerable means and makes them available to the project, and the Training of Teachers in Home Economics, where the beneficiaries bore a significant part of the local costs. The other projects are characterised by either no cost-sharing (and sometimes even Sida paying for some local operational costs), or cost-sharing consisting of inputs in kind only – which, regardless of how important we may consider them, are not really what the expres-

³⁰ Note, however, that if we had retained the association, suggested in the ToR for this evaluation, between demand-driven and the LPO as originator of the project idea, neither of these two projects could have been described as demand-driven.

sion is supposed to designate. In this respect, it would appear that in Sida-Öst at least, the cost-sharing requirement is, in practice, no different from similar requirements formulated by other donors, for the same or similar reasons. If anything, the requirement seems to be interpreted with greater flexibility in the case of the KTS projects we have seen in Ukraine than in other contexts in which we have come across it.

The flexibility with which cost-sharing is interpreted in Ukraine may be partly related to the situation of the country, characterised by the availability of competent professionals, by the awareness of the need for projects (and the consequent demand for them), and at the same time by a scarcity of resources that makes most LPOs almost incapable of sharing significantly in project costs and, even when they can, only or mainly in kind. In Ukraine, Sida's flexible interpretation of the cost-sharing requirement represents a realistic recognition of and adaptation to this reality.

5.2.7 Limited Projects

Much as in Lithuania, the majority of the projects examined in Ukraine consist of successions of several short phases³¹. Most of the KTS projects have more than one agreement, mainly because of the projects having several phases but also because Sida has financed project preparations and evaluations. The most common number of phases for a project is three – as for instance in the Public Procurement Support, Training of Social Workers and Co-operation with the Committee of statistics projects – but the Land Registration System has had as many as six sub-phases and a conclusion is not yet planned for. This is not surprising, considering that several of these projects have important institution building or strengthening components. An interesting remark made by the director of an LPO about the organisation of his project in several relatively short phases with limited and well defined objectives was that this plays an important role in contributing to project success: with longer periods and multiple or more complex objectives, he would find it more difficult to achieve the expected results.

5.2.8 Competent Partners

As to the competence of partners, this evaluation distinguishes technical competence from organisational capacity, both scored *in relation to the*

³¹ In fact the only exception to this rule – apart from the highly problematic, for this evaluation, Public Administration Reform project, about which we cannot say much with certainty – seems to be the training in home economics project, a completely atypical project in which the supposed 'client' worked for and under the guidance and advice of the 'consultant' (see summary description). This project does seem to have been a 'once-off' exercise.

challenges posed by the respective project. In this way, for instance, High or Low for technical competence are not absolute scores; they simply indicate corresponding capacities of the LPO to take full advantage of the transfer of technical knowledge realised by, or with the help of, the project³². In these terms, in all but two projects there seems to be enough (indeed, in some cases more than enough) technical and organisational competence to take advantage of the project. The two exceptions are the Public Administration Reform project where, because of the current lack of definition, the LPO (the Working Group for PAR) has ceased to exist or at least to function, and the project on 'Implementation of new methods in Ukrainian agriculture', where the LPO is the Kherson *oblast* administration, which is not involved in implementation and cannot be judged as to competence, either from a technical or from an organisational point of view³³.

5.2.9 Swedish Consultants

Finally, in relation to the Swedish consultants the table indicates the type of organisation of the consultant, and their competence as perceived by this evaluation (through the filter of interviews with the LPOs and others), again in relation to the challenges posed by the project.

As far as this evaluation can judge, all the Swedish consultants involved in the projects examined seem to have performed satisfactorily, indeed to have excelled, in fulfilling their obligations. This does not mean that all individuals concerned were equally competent (some were not, and were replaced), or that there were no problems: but what problems there were were reportedly solved, in a climate of harmony and co-operation, to the satisfaction of the LPOs.

The consultants played a key role in determining project success (as well as ownership, however interpreted). By all LPO (and other) accounts, much indeed hinged throughout on the consultant as regards project success: a good consultant (and sub-consultants) translated into a good project. The consultants (though not all sub-consultants) were generally described as not only technically competent, but also highly committed to their projects and to the LPO. The atmosphere created by this high sense of commitment (or what is described below as co-ownership) was explicit-

³² We are fully aware that this is much easier to assess with the benefit of hindsight – which this evaluation has – than in advance of events, as the Sida desk officers need to do when deciding about KTS projects. In this regard, however, the question that this evaluation must address is whether the partners that were selected were competent, not the question of the criteria and procedures by which the assessment of their competence was, or should be, done.

³³ The farmers, on the other hand, clearly have enough technical knowledge to take advantage of the project's lessons.

ly identified by several of the LPOs as an important factor of project success.

5.2.10 The Application of KTS in Ukraine: Some Concluding Remarks

A first conclusion that may be drawn from the analysis above is that the application of the KTS form and its characteristics was done in a very flexible way and guided more by pragmatism than by any close adherence to a ‘party line’ on what KTS is or should be. This is clear for instance in:

- the flexible approach to cost-sharing and to the principle that KTS projects are supposed to be limited in time;
- the limited but significant departure, in one case, from the rule concerning financing of equipment and some operating expenditures;
- the flexible interpretation, in three of the eight projects, of who the local partner is or should be, and of the requirement of competent partners; and
- the willingness on the part of Sida to play a more proactive role in the triangle of relations than is implied by its position as source of finance for, but not party to, the contract between the LPO and the consultant.

In the light of these tentative conclusions, it could be questioned whether to build local ownership was in fact an aid objective in these cases. The main rule here seems to have been that KTS principles, while not being ignored, should not be allowed to act as a barrier where there are possibilities of implementing a good – read relevant and useful for the development of the country, as well as compatible with Sida’s priorities – project.

To this must be added that this strategy seems to work: our impression – based on the limited information to which we had access – was one of relatively successful projects (especially given that the broad context is quite problematic, more so than in Lithuania), characterised also by strong ownership, as will be shown below. At the same time Sida, particularly through the work of its desk officer for this country, is seen by LPOs and consultants alike as highly concerned and competent, always available, pragmatic and solution-oriented.

Chapter 6

Local Ownership in KTS Projects in Ukraine

6.1 General

In this section we first present, in tabular form, the values to which this evaluation arrived for each of the indicators referring to various kinds of ownership in each of the projects analysed. This information is both complemented and elaborated upon in the subsequent discussion, which focuses on each of the different aspects of ownership, in the eight projects examined by this evaluation.

In general, this evaluation found high levels of local ownership in most of the projects assessed in Ukraine. From the evidence available, and even though such a judgement is outside this evaluation's ToR, it also appears that the majority of those projects are considerably successful.

6.2 A Synoptic View of Local Ownership

Table 6.1 presents an overview of ownership in the KTS projects examined by this evaluation in Ukraine. A short explanation may help understand the table better. The table distinguishes between ownership of objectives, of formulation, of implementation and of knowledge outputs of the projects.

Not shown in the table is ownership of evaluation. This has been left out because the situation is the same for all projects. On the one hand, the LPO plays (or is supposed to play) an important role in project reporting, approving progress reports and co-authoring final reports. This is an important input into the evaluation process, particularly since these reports are often the main basis for Sida decisions on new phases. On the other hand, all specifically commissioned evaluations are carried out by – and for – Sida only, without any involvement of the LPO.

Also not shown is ownership of tendering (selecting the consultant), because only in one case was there a tender.

As for project outputs, since KTS projects deal basically with the transfer and development of knowledge, it is to those knowledge outputs that the table refers.

Table 6.1 Ownership in KTS Projects in Ukraine

Project	Ownership					
	Phase	Objectives	Formulation	Implementation		Knowledge Outputs
				Relations with Sida	Management & monitoring	
Forestry Master Plan	II	H	H	M	S	H
Land Registration	IV	H	H	M	S	H
Training Social Workers	III	H	M	L	L	H
Public Procurement	III	H	H	M	S	H
Public Admin Reform	I	L	L	L	L	H ⁽¹⁾
Home Economics	I	L/H ⁽²⁾	L	L	L	H ⁽³⁾
Agriculture Techniques	I	H/M ⁽⁴⁾	L	L	L	H ⁽⁵⁾
Committee of Statistics	III	H	H	M	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.
- Except where otherwise indicated, the assessments of ownership in the table concern primarily the LPO.

b) On Specific Entries:

- (1) This reflects the fact that, although the ownership of the objectives and the process is questionable, as the current inexistence of the Working Group clearly indicates, the training and exposure to other situations has been taken good advantage of by the people concerned, at lower levels in the decision making hierarchy.
- (2) High for the initiators/beneficiaries (agricultural colleges); low for the LPO, in the sense that the project objectives were not a priority for the organisation (although its successful implementation was).
- (3) By the beneficiaries, not by the so-called client.
- (4) High for the Farmers' Association and individual farmers; Medium for the Kherson oblast administration, which seems committed to the objectives of the project, but at a distance.
- (5) By the farmers.

6.3 Ownership of Knowledge Outputs

This evaluation finds that ownership of the knowledge outputs associated with the various projects is generally high among the projects examined. For three of the projects concerned this must, however, be qualified. Since the LPO does not exist in the PAR project, the appropriation of knowledge outputs refers to middle ranking civil servants, who reportedly have been benefiting substantially from the knowledge imparted by the project on various occasions. In the Home Economics project the knowledge was appropriated, not – or not so much – by the so-called LPO, but by the institutes whose teachers have been trained, and who are the main institutional beneficiaries of the project. Finally, in the Agriculture Techniques project, the knowledge was appropriated by the farmers rather than the *oblast* administration, which is formally the LPO.

In relation to the other projects examined by this evaluation, and always keeping in mind the limitations of such a judgement, this evaluation finds reasons to agree with the LPOs and consultants' estimate that the LPOs have acquired a great deal of technical knowledge and have developed significantly their organisational capability, during and at least in part as a result of the projects. These increased capabilities have also resulted in increased ownership of processes, both of formulation (see Section 6.4 above) and of implementation.

6.4 Ownership of Objectives

As Table 6.1 indicates, this evaluation found generally high levels of ownership of objectives in all projects. An exception is the Reform of Public Administration project, where:

- (a) It is not clear who the LPO is, especially now that the Working Group for PAR (which had been designated as the LPO) has ceased to exist.
- (b) It is also not at all clear who, among the higher levels of decision making in the Ukraine state, wants what aspects of the administrative reform envisaged. The impression garnered by this evaluation is that, regardless of its intrinsic importance, the Administrative Reform is at present still seen by Ukrainian politicians as an element in a broader power game, to be used according to strategic considerations that have little to do with its specific objectives.

A second special case is that of the project on the Implementation of new methods in Ukrainian agriculture, where the LPO – the Kherson *oblast* administration – seems to have a lukewarm interest in the project, while the direct and indirect beneficiaries – the farmers in Kakhovka and the Swedish-Ukrainian 'Chumak' canning factory – are strongly committed to the project objectives.

A third special case is the Training in Home Economics project, where the LPO expressed a strong interest (and pride) in the project it helped implement, but where the project objectives are not directly relevant – or a priority – to the LPO.

In all these three cases, the qualifications in relation to ownership of objectives have more to do with problems with the LPO, or differences between LPO and beneficiaries, than to the lack of interest in and commitment to the projects. For all the other projects, this evaluation received a strong sense of LPO commitment to project objectives. Indeed in several cases (e.g. Forestry, Land Registration, Public Procurement, Statistics), the project represents a strategic opportunity for the LPO to introduce major changes in itself and in the way it works, and LPOs seem to be taking full advantage of such opportunities.

6.5 Ownership of Project Formulation

The local ownership of (i.e. the LPO's control over) project formulation was assessed by this evaluation as high or medium in five of the eight projects, and low in the other three. These are:

- the Public Administration reform project, in which formulation seems to have been the result of a complex interaction between Ukrainian authorities and a group of donors, led and co-ordinated by the World Bank, and where the donors' agendas seem to have played at least as important a role as that of the recipient;
- the Training of teachers in Home Economics project, where the original request was made by the beneficiaries, the Swedish consultant played the most important role in formulation and the LPO (the 'client') was selected by the consultant after project formulation had been more or less completed; and
- the project on the Implementation of new methods in Ukrainian agriculture, where neither the LPO (the *oblast* administration) nor the direct beneficiaries (the farmers) were involved in project formulation.

In each of the other projects, the LPO played an active or leading role in the formulation of the project, by formulating its needs and identifying, together with the consultant, actions aimed at satisfying those needs. Several LPOs also indicated that their role in project formulation had developed with time, from a relatively passive one in early stages of the project to their current, more active role. In one project, for instance, the LPO at one point told the consultant that it did not require many of the activities included by the consultant in the plan for a particular phase, since the LPO staff could do most of those things themselves. The expert to whom this was told was reportedly shocked, but eventually the consultant accepted the need to concentrate assistance on a few areas.

6.6 Ownership of Implementation

Ownership of implementation is subdivided into two aspects: who owns (i.e. controls, takes responsibility for) the relations with Sida, and who owns management (of which monitoring is a part).

In relation to the first of these characteristics, it is noteworthy that in none of the cases analysed has an LPO indicated that they take most responsibility for the relations with Sida. At best, in half the cases, some of our interlocutors reported sharing such responsibility with the consultants; in the other cases, the consultant reportedly takes most of the responsibility for the contacts with Sida. This is not surprising for the three projects also mentioned in Section 6.3 above. In the other project in this

category – Training of Social Workers – the fact that the consultant worked initially for Sida is probably one of the main reasons why he continues to take most responsibility for contacts with the agency.

As for ownership of management, in half of the projects it is assessed as Low, while for the other half it is Shared between LPO and consultant – a situation which LPOs value more than one in which they would assume all such responsibility. In this respect there is a coincidence of values between this indicator and that for ownership of relations with Sida, indicating that, when the LPO and the consultant share responsibility for management, that extends to contacts with Sida; when responsibility for management is mainly the consultant's, so is the responsibility for contacts with Sida.

6.7 Some Concluding Remarks on Ownership

The picture of ownership summarised in Table 6.2 is a reasonably positive one. It deserves, however, some additional remarks.

First, and as already indicated, the table fails to capture an important dimension of ownership, namely the way in which it has changed with time. In most of the projects where we have currently found high ownership, this has generally been the outcome of a process of evolution. This can be illustrated for instance with the case of ownership of project formulation. In projects where ownership is now high, the consultant played a much more important role in project formulation in the early phases. As the LPOs acquired knowledge and confidence, however, they gradually came to play a more active role in formulation, to such an extent that it is now they who play the main role in this process.

Projects, like anything else, evolve over time. The indications in this Ukraine study are that, while ownership may not be there at the outset of a phase or project, it may well be later, for example at the end of one phase when planning for another, or at the end of say the third phase anyway. However, this does not mean that there is just one path to this happy state, or that it is always reached.

It is also a finding of this evaluation that the principal stakeholders in the projects of interest in this country are the project personnel immediately concerned. Sometimes these appear to be the only real stakeholders, at least in the narrow and self-defining sense of the term. Some of the apparent reasons for this involve characteristics of Ukrainian society. For example, social democratic ideas of self-defining stakeholding do not seem prominent in Ukraine (or present at all in some regards). No client-oriented or customer-oriented participatory culture appears to have been institutionalised as yet in the areas of the projects concerned. Nothing like

an active ‘contact group’ was found. Neither, in one project where Sida required or requested such a group, was one even expected to develop, except maybe in a formal sense, to satisfy the requirement. Other reasons for a smaller circle of people taking a serious interest in a project than an outsider – and Sida – might have expected, may relate more simply to lack of due knowledge, perhaps caused by lack of access, and to attitudes towards division of labour and responsibility.

All this is not, of course, to say that there are no takers for say the cadastral maps produced by one project, the agricultural methods taught by another, certain social work concepts introduced by a third, and so on. But (a) using is not owning, and (b) to make the special effort required to find representative beneficiaries – users – was simply beyond the resources of this evaluation. Our questions to project personnel about whether such users contributed in some way to the dynamics of a project, not just its value, met with little understanding, let alone response.

Finally, it emerged in several contexts – as it had in Lithuania – that local ownership in the exclusive sense in which the term is used in the Sida documents is neither a contested nor an affirmed issue about this aid form in Ukraine. It is rather, co-ownership in a non-exclusive sense that is, for LPO and consultant, and sometimes also for Sida, an active concern – as the positive value given to shared responsibility for project management indicates. For this evaluation of ownership, therefore, co-ownership seems to make more sense – of our data on projects and their origination and management, our terms of reference in their narrow and broader senses, and Sida’s general aid agenda for this country and region.

Chapter 7

Context, Ownership, and the KTS Characteristics: an Interpretation

It now seems possible to present an interpretation of the findings of this Ukraine country study. We first identify the aspects of the context that seem to affect the relationships between KTS characteristics and local ownership. Then we analyse the KTS characteristics as to their impact upon local ownership, taking into account the characteristics of the context identified earlier.

Of all the aspects of the context that were mentioned in Section 3 above, three appear especially noteworthy for the potential they have to affect the relation between KTS characteristics and local ownership:

- the **reluctance to make decisions** associated with the predominance of the hierarchy principle in the state bureaucracy and with the uncertainty consequent on the lack of legal definition of the administrative system and of professionalisation of the civil service;
- the acute **scarcity of resources** with which public sector organisations are faced; and
- the **existence of high quality professionals in public sector organisations of very low effectiveness.**

The first two of these characteristics of the context will normally work against local ownership, particularly of processes. Ownership of processes often requires people at various levels in the structure of the LPO to take responsibility for project-related activities, which may be hampered by the reluctance of people to make decisions. At the same time, organisations with very few resources will normally find it more difficult to take risks – and will more heavily penalise risk-taking behaviour by their staff – than financially better off organisations. As for the third characteristic, the low effectiveness of organisations tends to work against local ownership – especially of processes and of knowledge outputs of the projects – but the fact that good professionals may be found in such organisations creates at least the potential for such local ownership to develop, given a

minimally favourable institutional environment. It may also create islands of strong local ownership, where those people succeed in imposing professional criteria against the limitations of their organisations.

It may also be presumed, especially given these conditions, that the prospects of closer co-operation with the European Union – or with some of its members – in the short term, and of fuller integration in the longer term, are likely to be particularly attractive and therefore to provide both individuals and organisations with incentives towards good performance and strong local ownership.

In this context, we may classify the characteristics of KTS projects into four groups, according to their likely impact upon local ownership:

- *irrelevant* characteristics (for local ownership);
- characteristics that *inhibit or discourage local ownership*; and
- characteristics that *select likely cases of strong local ownership*;
- characteristics that *facilitate, nurture or stimulate local ownership*.

Among the **irrelevant characteristics** for local ownership we may include:

Cost-Sharing

In Ukraine, this characteristic is applied in KTS projects very flexibly, and largely in the same way as it is applied in many if not most development co-operation projects the world over, i.e. taking into account and adapting the requirement to the recipient's capacity to pay rather than the project costs. Inputs in kind are accepted and valued, a practice that goes against the main idea of cost-sharing, where monetary contributions to *new* costs incurred are seen as the main sign and promise of commitment.

Of course, cost-sharing generally indicates ownership of at least the objectives of a project, in the sense that, by accepting a share in the costs, the LPO signals its interest in the project, in a way to which certain cultures, with their emphasis on sacrifice, are particularly sensitive. The key question, however, is whether cost-sharing is a necessary and sufficient condition of such ownership. In other words, (i) does cost-sharing always imply ownership? and (ii) can there be no ownership without cost-sharing? The information in Tables 5.2 and 6.1, although it is consistent with an affirmative reply, does not allow us to answer the first question in the affirmative. It does, however, allow us to answer 'Yes' to the second question. On the evidence of the KTS projects examined by this evaluation in Ukraine, there **can** be strong local ownership without cost-sharing. There is thus no one-to-one relation between cost-sharing and local own-

ership, especially given the fact that even organisations with people both competent and committed (and thus with potential for strong ownership) may be starved of resources. Under these conditions, a strict application of cost-sharing requirements would imply the rejection of such organisations as potential local partners.

Only one of the people we interviewed considered that the KTS cost-sharing requirement contributed to local ownership. Most of our interlocutors considered, as regards funding, that other factors were more important than the shared element, a small element anyway in the majority of cases. Among these other factors the most frequently mentioned are the proportion of total budget spent on Swedish consultants' fees and on activities in Sweden, as well as the non-availability of project moneys for local consultants. This pattern of spending was seen by some as reflecting Swedish ideas about aid more as dissemination of Swedish expertise than building local ownership.

Role of Contract

The central matter in this connection that arises for interpretation is that what, in this aid form, is seen by its advocates and implementers as pivotal, proves in Ukraine not to be pivotal at all for the LPOs or the Swedish consultants. Indeed, none of our interlocutors give the contract much, if any, instrumental significance. In the Sida – consultant – LPO equation there is, at least in Ukraine, simply no contract-power of the type that *Sida at Work* imagines will inculcate local ownership. In other words, KTS aid as it is received and acted upon in Ukraine is not contract-driven. What is at the formal heart of this aid form and is meant by Sida as it were to engineer local ownership into existence, does not in this country play this role³⁴.

When directly questioned about the found insignificance of the contract in real terms, our LPO interlocutors interpreted it as follows. It is, they said, only natural for the principal parameters of the dynamics of an aid relationship to be driven by the donor. It is normal that the donor should seek to achieve its own purposes through the conditionality it has set. As our interlocutors tended to put it, KTS is just another case in which the rules of the game have been set by the donor, not the aid recipient and, so far as anyone knows, not through any seriously shared process of decision-making. They see this as the normal reality of aid and its institutions

³⁴ Of course, some sort of contract, and the specification of roles and duties associated with it, is always necessary to clarify relations, and plays an important role as an instrument of co-ordination of the activities of the various actors involved. What, in the light of the evidence obtained by this evaluation in Ukraine, does not seem to play a special role is the particular form of KTS contract.

– whether, as this evaluation would add, this is accompanied by any rhetoric of partnership or not.

Seen in this context, contract power may be regarded as little more than a legalist (or ‘procurist’) conceit. Yes, the contract is between the consultant to the LPO, not Sida, but it is after all Sida, not the LPO, who selected the consultant, and required this form of contract. All the other components of this form of aid – e.g. cost-sharing, no equipment and limited duration – are set by Sida as well. Sida may not be a signatory. However, as one of our interlocutors put it, it is *virtually* present throughout anyway, just as any donor would be expected to be.

Among the characteristics that **inhibit or discourage local ownership**, the following seem to play a role in at least some of the cases:

Cost of Swedish Consultants

This is an element that was mentioned to us for the first time in Ukraine. The figures mentioned to this evaluation would place the cost of an individual consultant at more than one hundred times the salary of a relatively senior public servant in Ukraine. This reportedly has a negative impact upon the sense of local ownership, particularly when combined with the refusal by Sida to pay for sometimes desperately needed equipment or operational costs.

The Rule Against Hiring Local Consultants

This rule has also been reported to this evaluation as an indication of the fact that the LPO’s ownership of the project is only relative.

As for characteristics that **select likely cases of strong local ownership**, they have already been mentioned in the Lithuania country study, and the evidence collected in Ukraine gives us no reason to revise this list. They include:

Content of Technical Co-operation

Sida’s rules as to the content of KTS projects, and particularly the rule against financing equipment and operational costs, normally mean that when an LPO asks for a KTS project, they are primarily interested in what they can get out of it, i.e. technical knowledge. The fact that this rule seems to have been relaxed in the case of one project, apparently without any undesirable consequences, probably says more about the flexibility and knowledge of the situation of the person or people who took the decision than about the rule itself.

Competent Partners

Especially when combined with the preceding rule, the selection of competent partners for KTS projects appears to facilitate both project success and local ownership. What aspect of this competence is most important seems to depend on the nature and main content of the project. If training is the most important aspect of a project (as, for instance, in the Training of Social Workers, or Training in Home Economics projects), technical competence of the individuals that will be trained is probably the most important. If, on the other hand, the project is about institutional development and the incorporation of knowledge in organisational practices (as in the Land Registration or Public Procurement projects), organisational capability is likely to be as important as substantive technical competence.

Demand-Driven Projects

When the expression is interpreted in both of the senses given to it in Section 2.2.7, the fact that a project is demand-driven is likely to play a selective, filtering role for local ownership: if there is genuine demand for a project on the part of an LPO, that LPO is much more likely to own (i.e. to be committed to) the objectives; it is also more likely to own (i.e. to control and assume responsibility for) processes such as formulation and implementation. The trouble, from a practical point of view, is that it may not be easy, *ex ante*, to assess the extent to which a project is demand-driven.

Finally, among the characteristics that **facilitate, nurture or stimulate local ownership**, the following must be mentioned:

‘Limited’ Projects

Precisely because they are not so limited, especially in time, projects organised as a succession of phases allow the development of relationships between LPO and consultant that are conducive to strong local ownership. Success also plays a role in stimulating local ownership, and this way of organising co-operation both creates incentives for project success and indirectly affects ownership. Under these conditions, what was observed in the Lithuania country study remains valid here: both LPO and consultant are aware of the fact that good performance in the current phase is a *sine qua non* for approval of further phases, and the shortness of the phases actually implies a tight control by Sida on the performance of both other parties in the triangular relationship. This brings into question the limited role of Sida, even in those projects where the agency has adopted a ‘hands-off’ approach to everyday management.

Commitment/Co-ownership (of Consultant, of Sida)

This is perhaps the most important factor of strong local ownership identified in this field study of Ukraine. Several of the LPOs reported such commitment as especially effective in stimulating a similar commitment on the part of their own organisation and its individual members. In this connection, this evaluation also heard repeated references to the building up of relations of trust and co-operation with both the consultant and Sida.

Where for example the LPO did consider that – to use the Sida word – it ‘owned’ either the objectives or the products (or both) of the project in question, it would be truer to say that it considered it co-owned these with the other two parties in the triangle, Sida and the consultant. This was true even where not the LPO but the consultant carried out the greater share of project management. What mattered most to the LPO was not so much who did carry out project management as knowing that the final product could be determined in its final form and content by the LPO.

Sida’s Role

As mentioned in Section 5.2.7 above, the record of Sida direct involvement in KTS projects in Ukraine is very mixed. In some, it has hardly played a role, while in others its role was constant and active. There is also no clear relationship between the direct role played by Sida and any particular kind of local ownership. There is, however, another important role that Sida plays: that of committed co-owner of the projects, in the sense that, far from remaining as an aloof financier and evaluator, Sida takes an active interest in the projects, even to the extent of getting closely involved in problems and their solution. That role does appear to have a positive influence upon local ownership.

Chapter 8

Some Conclusions and Questions for the Synthesis Report

The conclusions presented below partly sum up, partly add to, the text of this country report. They are presented in no particular order, and are designed to prime the concluding work that will be necessary at the time of the final synthesis report.

Invisibility of KTS as a Form of Aid

It emerged in Ukraine, as in Lithuania, that KTS as a form of aid is ‘invisible’ to its recipients. Although LPOs obviously are aware of individual conditions, e.g. cost-sharing, they are not aware of KTS as a particular type of aid designed or expected by Sida to lead to local ownership principally through contract power. Indeed, KTS aid as applied by Sida in Ukraine, is marked by considerable flexibility anyway, consistently with the view of the Sida desk officer responsible – and, more generally, of Sida-Öst – that it need not be religiously be interpreted as a particular approach. Rather an aid programme for Ukraine is something that KTS should not be allowed to get in the way of.

Not Local Ownership in Some Exclusive Sense as much as Co-ownership

Co-ownership, rather than local ownership in some exclusive sense, is locally seen as the leading contested or affirmed issue in this aid programme. Where local ownership did arise in our interviews it was because we the evaluators introduced it for purposes of this evaluation. The central issue for those interviewed is whether the project as it develops turns out to be a success, and therefore worth identifying with, gathering around, taking advantage of, worth another a phase of Sida support if there is any serious prospect of such, and so forth. Given this, it would be unrealistic – and not particularly helpful – for a study of KTS aid in Ukraine artificially to separate the ideas of efficiency (of project performance) and ownership. It is success that breeds ownership, not the other way around. Indeed this evaluation’s findings confirm the desk officer’s view expressed to us that if local ownership does appear as a significant

force or factor in this aid, it tends to be only in Phase 3. It is not present at the outset of Phase 1, is not a precondition, and is something that is ensured by the KTS form.

Not Contract but Consultant-Driven

By all LPO (and other, including Sida) accounts, much hinged throughout on the consultant as regards project success. A good consultant (and sub-consultants) translated into a good project – and most consultants were described to us as very good, highly committed, etc. Thus, in some sense, KTS projects are not contract but consultant-driven.

Project Process and Project Product

To have a good and effective project process is seen by all as all-important, regardless of who owns it. A good process is seen as creating opportunity and space for a sound project achievement, by way of opening up room for the new approaches (for Ukraine) to problems that are required if the country is move nearer the European Union (EU) – and the World Trade Organisation (WTO) – norms and ways of functioning. However, there is no one-to-one relation of process and product, perhaps because the problems are long not short term, consultants are not sufficiently sensitive to national sensitivities and need to make haste slowly, etc.

Where it makes sense for analytical purposes to distinguish ongoing process and final product (despite their being in many ways as two sides of the same coin), this evaluation found four patterns:

- good process leading nevertheless to a poor product; as well as
- a good process leading to a good product; and
- a bad process leading to a good product; but (in one case) also
- a bad process leading to a poor product.

The Presence of Sida's Agenda

This country evaluation found Sida's agenda present more or less throughout the whole study and in all projects, albeit in different ways. In some cases, this agenda was actually represented by personal advocates. These comprised, in addition to Sida personnel (including a resident representative), a specially engaged Sida consultant and also some of the Swedish consultants supposedly working for the LPOs. Sida's agenda was also present in various other forms, some of them quite obvious, including:

- the conditionalities set for the aid;
- the rules guiding the process of co-operation;
- the inclusion into the aid agenda of aspects which not all local counterparts, rightly or wrongly, felt to be a priority (such as gender);

- the exclusion of aspects widely felt, locally, to be a priority (such as poverty); and
- the exclusive use of Swedish consultants.

Interestingly, this agenda seems not to be often expressed or affirmed through the rejection of project proposals which fail to conform with it. This is because, through the country strategy for development co-operation and other formal and informal means, Sida informs potential local partners of what does and what does not fit with its agenda, so that few projects are ever presented for consideration that do not fit in with Sida's agenda.

What emerges as part of the picture of this particular aid engagement is, and despite one rationale at least for the KTS form that it should not be, a marked asymmetry of intent and ethic between Sida and the LPO – but not necessarily also an asymmetry of ambition (say to succeed say in putting certain market economy characteristics in place), or interest (in the final product). After all, neither *Sida at Work* nor the country strategy for Ukraine are presented as the result of a participatory negotiation. Neither document has other than Swedish signatories, despite the latter's frequent mentions to certain 'common' Swedish and Ukrainian interests.

Positive, Negative and Irrelevant KTS Characteristics

From the point of view of building or selecting for local ownership, KTS characteristics may have irrelevant, negative or positive effects. In the Ukraine context, cost-sharing and the contract between consultant and LPO appear largely irrelevant for local ownership. The costliness of Swedish consultants and the rule against using local consultants have negative consequences for local ownership. The content of technical co-operation (including the rule about not financing equipment and operating costs), and the requirements of competent partners and demand-driven projects have positive consequences for local ownership, by selecting those LPOs that are very likely and excluding those that are less likely to have strong ownership. Finally, the organisation of the co-operation in successions of short phases or projects, and the commitment (or co-ownership) of Sida and especially of the consultant have a positive, nurturing influence on local ownership.

Some Questions for the Synthesis Report

- (i) Which of the various forms of local ownership identified – of objectives, of formulation, implementation, evaluation, and of knowledge outputs – is or are the most important? And how is the answer to this question influenced by whether we consider local ownership as a means or as an end in itself?

- (ii) When is co-ownership a better rallying point for this evaluation than local ownership?
- (iii) How does co-ownership in the sense in which the term is used here relate to partnership as the term is currently used in Sida? What are the practical and policy implications of what has been found here about co-ownership for the debate on partnership?
- (iv) Balance (imbalance) of aid as institution and aid as specific modality?
- (v) To what extent can KTS be credited with (i) achievement of project objectives, and (ii) local ownership?
- (vi) Specifically as regards KTS, which (if any) characteristics can be credited for (a) success in achievement of project objectives, (b) local ownership?
- (vii) How characteristic of the broader KTS picture is one country case compared with another, i.e. what is more, and less, common for all the countries considered and why?

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Annex 1:

List of Questions Used as Guidelines for 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 (inc. 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 2:

Short Descriptions of the Projects Examined

2.1 Forestry Sector Master Plan

Ukrainian Partner:	State Committee of Forestry
Swedish Consultant:	Scandiaconsult NATURA AB and the Swedish County Forestry Board
Sida's assistance:	approximately SEK 12.5 million
Project duration:	1998 to 2004

The objective of the project is to help the Ukrainian State Forestry Committee in its efforts to develop a Forestry Sector Master Plan. Phase I, which lasted from 1998 to 2000, resulted in a draft Forestry Sector Master Plan and a set of recommendations (concerning e.g. changes in legislation, development of wood trade, improvement of data collection and forestry planning, etc.), which were handed over to the heads of the forestry sector for consideration. These recommendations have, however, not yet been implemented. The purpose of Phase IIa (expected to last from April 2001 until November 2004) is to refine and improve the draft strategy, and to follow it up with a project that is more oriented towards implementation. The main thrust of the second phase will be on improving forestry-relevant legislation, creating the conditions for a well-functioning market in the forestry sector (including facilitation of trade), and improvement of forestry operations according to international conventions signed by Ukraine.

The project has suffered somewhat from the fact that forestry is not a major priority in Ukraine's difficult political and economic conditions. Initially there was even some reluctance on the part of the LPO, which had to be overcome by Sida. At the same time, and despite the commitment of the people directly involved, the State Committee of Forestry (and the higher reaches of the Ukrainian administration) seem less than enthusiastic about it, and have not assigned it a very high priority. One clear indication of this low priority is the fact that, although Sida indicated that the creation of a contact group to control the implementation of the project at national level was a priority (indeed was a precondition for Sida assistance), and even indicated its readiness to allocate some funds for a study tour for the contact group, the group had only just been formed at the time this evaluation visited the project, in November 2001.

In addition to study tours, training and the provision of consultancy services and advice, this project has some characteristics that make it rather exceptional as a KTS project. These include most notably:

- A significant component of material aid (computers, a vehicle, telecommunications and internet access, etc.), desperately needed by a resource-starved LPO; this component is still significant, but somewhat smaller in relative terms, in the second phase.
- The use by Sida of the services of a Swedish forestry expert, who represents the agency before both the LPO and the Swedish consultant. This expert monitors both parties' fulfilment of their parts of the contract, helps solve contractual problems between the two parties as well as between each of them and Sida, and generally keeps Sida informed about what goes on in the project. He is also present at moments in the project's life when key decisions are taken. Both the consultant and Sida generally welcome his presence, as a knowledgeable and committed expert and someone whom, by functioning as a 'speaking partner', helps make decisions.

2.2 Land Registration

Ukrainian Partner:	Department of Geodesy, Cartography and Cadastre, Ministry of Ecology and Natural Resources
Swedish Consultant:	Swedesurvey
Sida's assistance:	approx. 24 million SEK until January 2002
Project duration:	1995 in four phases continuing until 2003

A reliable cadastre and land registration system is essential to the good functioning of the markets for land and for real property. Property rights and user rights need to be clearly defined, known and respected. A clarification of property and user rights over land is a pre-condition for a sustainable use of land and other natural resources. In this respect Ukraine, like other former Soviet republics, lacked both the legal framework and a reliable cadastre and land and real property registration system, which basically meant that the markets for land and for real property could not function well.

In 1994 Sida agreed to support the introduction of a cadastre and land registration system in Ukraine. A training course on the cadastre, held at the National Land Survey of Sweden, took place in 1994, and the first phase of the cadastre and land registration project started in 1995. The main purpose of Phase I was to spread information about the need for and benefits to be derived from a multi-purpose cadastral system in a market economy, and to start to investigate the most efficient method for capturing data about real estate and owners. Some 450 certificates of land ownership were issued to persons living in the pilot test area.

Phase II, which lasted from June 1996 to April 1998, aimed to continue development of a cadastre and land information system. A prototype for a title registration office was set up and some 800 certificates were issued. This phase also comprised courses on real estate formation and registration, and digital map production.

Phase III, lasting from August 1998 to March 2001, built on the preceding ones. Its main objectives were:

- to support the development of a National Real Property and Title Registration System and the introduction of a national system for data capture and mapping;
- to establish three pilot offices for data capture, integration and mapping, investigating and implementing efficient data capture models to support and maintain title registration in the offices previously established with support from earlier phases of the project and also from a TACIS project;
- to co-operate with the International Finance Corporation (IFC), a member of the World Bank group, in the field of land privatisation and farm reorganisation; and
- to implement training and public relations programmes.

Finally, Phase IV, under implementation when this evaluation visited Ukraine, continues the preceding phases. Its general objectives are to support the development of a well-functioning national real property market in Ukraine and to encourage and stimulate land privatisation in both urban and rural areas. The project's specific objectives include:

- to support the implementation of National Real Property legal framework that is adapted to the needs of the market;
- to support the creation of a national Geo Spatial Data Infrastructure System capable of being introduced on a nation-wide basis;
- to increase the awareness of financial institutions and local authorities of the content, use and value of real property information, and of its financial implications in a market economy;
- to support the implementation of new methods for valuation and taxation; and
- to support the implementation of new methods for land-use planning.

Currently, this evaluation was told, a proposal for a Phase V is being prepared at the same time as phase IV is implemented.

2.3 Training Social Workers

Ukrainian Partner:	Ministry of Social Protection (Phase I and II) Ministry of Labour and Social Policy (Phase III)
Swedish Consultant:	Zenit International, Mid-Sweden University and Lenart Lundquist Consulting (Lunconsult)
Sida's assistance:	Approximately 12.8 million SEK
Project duration:	July 1997 to March 2001

Until recently most if not all social workers in Ukraine were basically home-help-ers, with very little specific training in social work proper. A TACIS project on social protection had studied the situation and identified needs, especially training needs, of social workers. Sida took up this idea (which had not been approved for financing by Brussels) and asked a consultant to go to Ukraine and write up a project proposal. The project started with a pilot phase, in Zhytomyr *oblast*, between July 1997 and January 1998. The pilot phase consisted in the development of a training model with three components: training of trainers, development of teaching materials and implementation of the first courses for social workers. The training of trainers was done in Sweden and the trainers were then supported by Swedish consultants in their implementation of the first courses for local social workers. The training was deliberately made broader in scope than would strictly be required by home-helpers, in order to create the potential for the social workers thus trained to work in other sectors.

In a second phase, between February 1998 and April 1999, the project was expanded to cover three regions, and same basic model was applied, with two important differences. First, a central development group (NDC), linked to the Ministry, was set up. This group co-ordinated the regional projects, developed a textbook in social work and carried out a pilot training of trainers course, along the lines of the courses in Sweden. A second difference was that additional regions were invited to join the project. These regions sent prospective trainers to the course in Kyiv, which was run exclusively by Ukrainians.

Finally, a third phase ran from November 1999 to March 2001, with the basic purpose of consolidating the results obtained. During this phase ten more trainers from each of the six participating regions received basic training and the already trained trainers received additional training, the textbook on basic social work for in-service training was finalised, some videos for distance teaching were produced, the NDC functions were integrated within the Ministry and the results of the project were publicised and disseminated. In total, 160 to 180 trainers and some 5,000 social workers received training as a result of this project. Partly as a result of this, client levels of satisfaction seem to have improved considerably. In addition to this, the textbook continues to be used throughout the country for training additional social workers.

2.4 Public Procurement

Ukrainian Partner:	Ministry of Economy of Ukraine
Swedish Consultant:	SIPU International
Sida's assistance:	Approximately 6.3 million SEK
Project duration:	1997 to end 2002

In the process of transition to a market economy, public procurement is an area of key importance. If it is carried out according to internationally accepted principles, it increases the effectiveness of the use of public money, facilitates the im-

plementation of development programs and stimulates economic growth. The project is a joint project between Sida and the World Bank, where the World Bank provides support to the development of procurement legislation and Sida/SIPU provide support in public procurement training. Phase I, which was completed in November 1998, consisted of two study trips to Sweden by Ukrainian officials. Phase II, which took place between May 1999 and June 2001, aimed at helping Ukraine to develop a public procurement system capable of working in accordance with international standards and accepted practices in the EC and WTO areas, and consisted of three components:

- (i) Organisational development within the Public Procurement Department (PPD): this component helped improve the Department's internal structure, to upgrade the professional level of PPD staff and to strengthen the status of the Department. On the PPD initiative, an inter-ministerial working group on the development of a public procurement system in the sense of European integration has been set up.
- (ii) Training in public procurement: this included the training of trainers in public procurement and the organisation of courses for officials in charge of public procurement. 12 trainers were trained and, with their help, other civil servants were trained in public procurement. The Ministry of Economy now carries out a regular programme of training in this field.
- (iii) Support to the Ukrainian Public Procurement Bulletin.

Phase II of the project, which was scheduled to last between April 2001 and November 2002, aims at consolidating the achievements of the preceding phases, through:

- (i) upgrading skills in public procurement, especially at the regional level;
- (ii) development of interpretations of the public procurement law (approved in the meantime), including procurement guidelines and checklists; and
- (iii) continuing the development of a public procurement monitoring, control and audit system, which had been initiated in Phase II.

Throughout, the project has co-operated with other public bodies in Ukraine involved in the control of public procurement, most notably the Accounting Chamber, the State Treasury and the Control and Revision Office.

2.5 Public Administration Reform

Ukrainian Partner:	Working Group for Public Administration Reform (PAR)
Swedish Consultant:	SIPU International
Sida's assistance:	approximately 8 million SEK
Project duration:	July 1999 – June 2001

The Government of Ukraine is undergoing a major PAR programme initiated by the President. The purpose of PAR is to improve the performance of the Government organisations to execute state tasks, to strengthen the capacity to design and implement effective economic and social policies and translate them into law. The World Bank supports the PAR as a part of a public sector reform package. Sida is one of a number of donors, who, under the co-ordination of the World Bank, support the PAR programme. The Sida-financed PAR project consisted of the following components:

- (i) *Efficiency studies and performance budgeting (management by results)*. The purpose of this component was to strengthen the capacity of the Ukrainian public administration to carry out efficiency reviews. As an integrated part of the effort to increase government efficiency, this required the introduction of the concepts of performance budgeting and management by results. Taking into account the recent past of Ukraine, this was done primarily at the level of conceptual understanding, leaving for later a possible implementation. In addition to establishing links with organisations within the Ukrainian public administration system and promoting openness and co-operation between them, a study visit to Sweden was organised for government officials, some teaching materials were translated into Ukrainian and a number of training actions were undertaken, in co-operation with the Academy of Public Administration, the Accounting Chamber, the State Treasury, the Control and Revision Office. This work attracted the interest of several public sector organisations, both at the central and at the *oblast* and city level.
- (ii) *Regional policies, structures and procedures*. This component had the purpose of clarifying the overall functions and the relations between the state governments at the central and at the regional levels. The main activities associated with this component consisted of seminar and study tours, plus commenting on the draft concept on regional policy. Unfortunately, a working group on reform of local state administrations and local self-government, which was expected to be the project's main counterpart in this field, never actually worked. Instead, the project established close relations with, and provided support to, the Administration of the President of Ukraine, in connection with working out and monitoring the implementation of public sector reform at the regional level. The President Administration is now one of the main centres in the country of public sector reform and regional policy reform.
- (iii) *Public awareness – public education programme*. The purpose of this component was to strengthen understanding in society as a whole concerning democracy, the role of the state, good governance, transparency, etc., including the PAR programme. A number of meetings, seminars and workshops were the main activities associated with this component.

At the end of Phase I a proposal was submitted for a Phase II; however, the political turmoil in Ukraine, together with the sensitive nature of the PAR programme, resulted in the disappearance of the Working Group and in a situation

characterised by a considerable lack of clarity as to where the ownership of the PAR programme now lies, within the country. The proposal was therefore suspended awaiting greater clarity.

2.6 Training in Home Economics at Ukrainian Agricultural Institutions

Ukrainian Partner:	Council of Women Farmers (CWF) and seven Ukrainian Schools
Swedish Consultant:	Swedish Federation of Rural Economy and Agricultural Societies (SFREAS)
Sida's assistance:	Approximately 2 million SEK
Project duration:	October 1999 – December 2002

In 1998 SFREAS was contacted by the director of an agricultural institute in Ukraine, who wanted to introduce home economics at her Institute, along the lines of courses that SFREAS had carried out in Russia between 1993–1998. Project preparation led to the identification of a total of seven schools (agricultural universities and institutes, a technical institute) interested in this subject. The Swedish consultant also organised a seminar to inform the partners about the project and find a suitable agricultural institution as counterpart for the project. The CWF was selected due to its extensive network of contacts in rural Ukraine and also good contacts with the Agricultural Institutes and with the Ministry of Agriculture in Kyiv, where they have their head office.

The project consists primarily of training 21 teachers in home economics (12 female and 9 male), which was carried out mainly by Russian teachers, and also mainly in Russia (but partly also in Sweden and Ukraine), under the supervision and orientation of the consultant. Of the 21, 18 finished the program and 12 (7 male and 5 female) got their diplomas and certificates as teachers of Home Economics. In addition to the training, six kitchen laboratories were also set up in six of the schools (Sida contributed with a small part of the costs of these laboratories), and Internet connections were established between the schools. Furthermore, the Ministry of Agriculture made Home Economics a compulsory subject at agricultural institutes and one of the trainees was charged by the Ministry of Agriculture to write a syllabus and a Home Economics textbook.

Rather inexplicably, CWF appears in the contract for this project as 'the client', although in practice they are not a beneficiary of the project, were selected by the consultant (following what the LPO described as a 'tender') and worked very much as a subcontractor. This would appear to indicate that the KTS contract is a rather empty shell, which can be filled as suits the parties – in this case it was filled in a very different spirit from the 'normal' KTS project. Also interesting is the use of Russian teachers, who were former trainees of a similar project in Russia.

2.7 Implementation of New Methods in Ukrainian Agriculture

Ukrainian Partner: Kherson *Oblast* Administration
Ukrainian Farmers Association

Swedish Consultant: ScanAgri AB

Sida's assistance: Approx. 7 million SEK

Project duration: March 2000 to October 2002

In 1996 a Swedish-Ukrainian joint venture company, South Food Inc (Chumak) started a production of tomato ketchup, tomato paste/purée, tomato sauces and canned vegetables. In 1999 it started producing cooking oil. The primary agricultural products consist of locally cultivated tomatoes, rapes, sunflowers and vegetables. The supply and quality of these products varied a great deal, because of lack of knowledge of modern production techniques by the farmers. At the beginning, because of this, Chumak carried out some agricultural production itself. Together with the Ukrainian Farmers Association, Chumak then contacted the Swedish Farmers Federation, suggesting that farmers would benefit from a project aimed at improving the farmers' productive capacity in the area. A delegation of the Federation then visited the area and certain twinning arrangements were set up. Sida then decided to support the project, and hired a consultant to prepare and formulate it. ScanAgri won the tender.

The purpose of the project is to increase farmers' production and management capacity in the Kherson *oblast*. The main objectives are:

- To improve production skills among producers of tomatoes and cucumbers in order to increase the harvest and stabilise it at a high level, independently from external factors.
- To improve management skills of farmers and encourage producers to become private farmers in order to improve the economic situation among rural people in Ukraine.
- To strengthen the Ukrainian Farmers Association and its members through capacity building activities, to encourage producers to organise themselves and to stimulate the formation of producers groups such as input/supply co-operatives and marketing co-operatives.

The project works through 50 pilot farms of between 5 and 50 ha, on the basis of a number of criteria, including the progressiveness of the farmers. In these farms production methods suited to the local conditions (such as, e.g., drip irrigation, use of better varieties and the use of fertilisers and pesticides) are introduced and the farmers receive suitable extension. The extension programme also deals with financial matters, such as cash flows, business plans, etc. The extension programme is supported by the publication of a newsletter containing market information and information needed to co-ordinate pest control.

The 'natural' LPO for this project would be the Farmers Union or the lo, but Sida preferred to sign a contract with the Kherson *oblast* administration, which appears as the LPO but is not closely involved in the project. SwedAgri manages the project, with the help of a steering group involving representatives of the Farmers Union and the *oblast* and *rayon* administrations. Ownership is strongest among the farmers and at *rayon* administration level. At the *oblast* administration, the rotation of personnel meant that the person who supported the project has since left. When the evaluation visited the project there was talk of a possible following phase, but no concrete proposals had yet been made.

2.8 Support to the Ukrainian Committee of Statistics

Ukrainian Partner: State Statistics Committee of Ukraine

Swedish Consultant: Statistics Sweden

Sida's assistance: Approximately 9.6 million SEK

Project duration: From 1996 until mid 2002

The purpose of the project was to develop the capacity of the State Committee of Statistics. Sweden was one of the first donors to work with the State Committee of Statistics. Now there are several donors, which complement each other in the support they give.

The project has been through three phases already, each of which is designed taking into consideration identified needs. Over these three phases, assistance has been given in areas such as research and statistical methods, population census, demographic statistics, population registers, statistical databases, statistical publications, organisation and management, organisation of a statistics library, social statistics (especially household budget surveys), energy statistics, conjuncture surveys, national accounts, gender statistics, commercial activity of State bodies, etc. Activities undertaken under this project include study visits to Sweden, training seminars and consultancy advice on a number of concrete questions.

In addition to these knowledge-oriented outputs, the project also made available to the LPO a limited amount of computer equipment.

Annex 3:

List of People Interviewed

a) Swedish Embassy, Kyiv

Ms. Christina Danielsson First Secretary

b) LPOs:

Mr. Mikhail Popkov Director, Forest Management Scientific Centre

Mr. Sergey Kyrylyuk Staff member, Forest Management Scientific Centre

Ms. Nadia Obushko Head, Public Procurement Department, Ministry of Economy

Mr. Petro P. Ovcharenko State Secretary of Ministry of Labour and Social Policy

Mr. Victor Burlaka Ministry of Labour and Social Policy

Ms. Lyudmila Klebanova Head, National Female Farmers Council

Mr. Anatoly Bondar Director General, Main Department of Geodesy, Cartography and Cadastre, Ministry of Environment and Natural Resources of Ukraine

Mr. Alexander Dyshlyk Project Manager, Joint Ukrainian-Swedish Pilot Project 'Capacity Building for the Implementation of a National Geospatial Data Infrastructure in Ukraine'

Mr. Sergey U. Markov Chief of the Training Centre, Joint Ukrainian-Swedish Pilot Project 'Capacity Building for the Implementation of a National Geospatial Data Infrastructure in Ukraine'

Mr. Vitaly Shumchenko Project Administrator, Joint Ukrainian-Swedish Pilot Project 'Capacity Building for the Implementation of a National Geospatial Data Infrastructure in Ukraine'

Ms. Irina Kuzmina Head, Department of Statistics of Foreign Countries and International Co-operation, State Statistics Committee

Mr. Victor Pomaziuk Farmer, Kakhovka, Kherson *oblast*

c) Swedish consultants:

Mr. Lennart Lundqvist	Lunconsult
Mr. Åke Uthas	Team Leader, Joint Ukrainian-Swedish Pilot Project 'Capacity Building for the Implementation of a National Geospatial Data Infrastructure in Ukraine', Swedesurvey
Mr. Tomas Jonsson	Senior Project Manager, ScandiaConsult
Mr. Gustav Frederiksson	Chief County Forester, County Forest Board
Mr. Leif Strömquist	SFCA – Strömquist Forest Consulting Aktiebolag
Ms. Katarina Fahlander	Consultant, SIPU International
Ms. Mirija Pedersen	Residential Project Manager, SIPU International
Ms. Tatiana Korotchenko	Project Co-ordinator, SIPU International
Mr. Markus Davelid	ScanAgri AB
Mr. Sven Bjerlestam	Team Leader, Joint Ukrainian-Swedish Project "Implementation of New Methods in Ukrainian Agriculture", ScanAgri AB
Mr. Kameran Khudur	Statistics Sweden (SCB)

d) Sida

Mr. Anders Hedlund	Head of Division, Department for Central and Eastern Europe
Ms. Elsa Håstad	Area Manager, Department for Central and Eastern Europe

e) Others:

Dr. Roman Oliynik	First Deputy Director, Mountain Forestry Research Institute
Prof. Vadim Averianov	Institute of State and Law, Member, State Commission for Public Administration Reform
Ms. Larisa Leshchenko	Economist, World Bank
Mr. L. Sturén	Director, South Food Inc (Chumak)

Annex 4:

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.

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

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 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 co-operation. 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.

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).

- *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 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.

⁶ UTV stands for the Department for Evaluation and Internal Audit

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.

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

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

4.2 Study of the Relationship between KTS and Local Ownership

4.2.1 Stakeholder Analysis

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

4.2.2 Study of the Application of the Characteristics of KTS and of Local Ownership

The consultants shall assess local ownership and study the application of the characteristics of KTS in the selected projects. Further, the relationships between the characteristics of KTS and local ownership in different local contexts shall, as far as possible, be assessed. The main questions to be answered are: does strong local ownership 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 initi-

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

ated 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?

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;
- 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 cooperate with the group, by keeping them informed and taking their points of view under consideration.

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

The tentative time schedule for the study is:

March 2001:	tender invitation
June/July 2001:	contract consultant
August/September 2001:	submission of inception report
Sept./Oct.–Dec./Jan. 2001(2):	field work
Sept./Oct.–Dec./Jan. 2001(2):	submission of draft country reports, seminars at Sida

⁸ Knowledge, competence and resources.

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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