

*Pooling of Technical Assistance in Mozambique:
Innovative Practices and Challenges*

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Acronyms and Abbreviations

DAC	Development Assistance Committee (OECD)
DFID	Department for International Development (UK)
DGIS	Directorate-General for Development Cooperation (the Netherlands)
ECDPM	European Centre for Development Policy Management
EU	European Union
Frelimo	Frente de Libertação de Moçambique (Front for the Liberation of Mozambique)
GdE	Gabinete de Estudos (Policy Research Unit within the MPF)
GNP	gross national product
GoM	Government of Mozambique
IDA	international development agency
MoA	Ministry of Agriculture
MoE	Ministry of Education
MoH	Ministry of Health
MPF	Ministry of Planning and Finance
NGO	non-governmental organisation
OECD	Organisation for Economic Cooperation and Development
PATA	Pooling Agreement for Technical Assistance (Health)
PESS	Health Sector Strategic Plan
PROAGRI	Agricultural Sector Programme
PSR	public sector reform
Renamo	Resistencia Nacional Mocambicana (Mozambican National Resistance)
RRV	Swedish National Audit Office
SPA	Special Programme for Africa
SWAp	sector-wide approach
TA	technical assistance
TdC	Tribunal das Contas (Accounting Court, Portugal)
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
USAID	US Agency for International Development

Summary of Findings

This discussion paper highlights the findings of a study of pooling of resources for technical assistance (TA) in Mozambique.¹ It was one of six studies undertaken as part of a wider review carried out by ECDPM and financed by the Netherlands Ministry of Foreign Affairs. The aim of this discussion paper is to contribute to the wider learning and thinking on the requirements of pooling initiatives between international development agencies (IDAs) and recipient governments, such as sector-wide approaches (SWAs) and budget support programmes.

This case study explores the many arrangements that have been set up to pool external funds for TA, within the broader framework of public sector reforms that are currently under way in Mozambique. Although far from exhaustive, the review identifies a number of schemes in different settings, capturing most of the variations existing in the field. Because of their importance, pooling schemes set up within the framework of SWAs, covering a broad range of expenditures, including TA, are included in the review. As many arrangements have only recently been introduced or are still on the drawing board, and few are well established, a conclusive assessment is premature.

The pooling arrangements reviewed here have been set up in a variety of sectors – agriculture, education, finance, health and the police – and show strong variations in terms of their purpose, comprehensiveness, whether the aid is tied or untied, ownership, integration and success. The Mozambican authorities and IDAs are experimenting with different approaches, some imported, some genuinely indigenous. More often than not, pooling schemes have been introduced at the initiative of the IDAs.

Some constraints emerge as recurrent themes across sectors. First and foremost, the serious capacity shortage that affects the country has slowed progress everywhere. The multitude of IDAs with different agendas and interests, often with poor knowledge of the country and of specific sectors, has compounded the picture. Risk-averse recipient authorities, hesitant to choose the direction of change, have sometimes played the role of witnesses of, rather than protagonists in the processes now under way.

For the time being, a few tentative lessons learned and shortcomings emerging from current practice can be summarised. These need to be addressed when decisions concerning pooling are to be taken:

- The costs to stakeholders of setting up schemes for pooling external resources (including TA) tend to be high. Progress has been consistently slow across sectors, and in some cases gains have actually been reversed. In many cases, the results have fallen short of the original objectives and in no instance have expectations been met in full.
- Context-aware and context-sensitive initiatives, following an incremental approach to reform, stand a better chance of success than grand, ambitious and one-size-fits-all schemes. Thus, progress is more likely to be achieved if IDAs and recipients build up their knowledge through patient experimentation rather than by the application of abstract theoretical principles.
- Given the rapidly changing environment, successful pooling schemes tend to evolve slowly. Conversely, the negotiation of elaborate arrangements – such as the pooling of resources in SWAs – encompassing most or all issues, and incurring high transaction costs, is difficult to justify in view of the slow progress, and is likely to be a waste of scarce resources.

¹ The study was carried out in 2001; the discussion here is based on the results of a subsequent analysis. For a more detailed discussion, see the original report, *Pooling of Technical Assistance in the Context of Aid Management Reform: The Mozambique Case Study*, which can be downloaded from http://www.capacity.org/12/case_study_mozambique.htm.

- Complex coordination mechanisms such as SWAs, although with the intention of putting the recipient government in the driver's seat and to rationalise aid flows, have in some cases meant that additional TA is required to address the lack of local capacity. This is at odds with the original objective of ensuring that recipients are in control.
- The pooling of resources for TA can be used as a 'stepping stone' towards more sector coordination among IDAs and governments, particularly in situations where the environment is too weak to support ambitious SWAs. In none of the schemes in Mozambique, however, has this potential been fully realised.
- Country ownership should not be considered as an end in itself, but rather as a means to attain the chosen goals. Only a few of the pooling arrangements reviewed appear to be strong in terms of ownership. The most promising schemes have been those promoted by ministries, which took the initiative in formulating concrete solutions to domestic concerns, with funding agencies responding supportively.
- Some of the most important hurdles are structural, encompassing the entire public sector, suggesting that more attention should be paid to them, rather than concentrating efforts within specific sectors, where the returns can only be partial if systemic constraints persist.
- By supporting different types of TA pooling arrangements, IDAs are increasingly learning that unilateral approaches cannot provide answers to all problems. Agencies not yet engaged in the reform process are feeling increasingly pressed to follow. More pragmatic, evidence-based thinking is needed from IDAs and recipient governments, in order to ensure that the pooling of funds for TA is effective.

The overall picture of TA pooling in Mozambique gained from this study is clearly varied. Many sectors are experimenting with different approaches to rationalising external assistance in order to make it more efficient and effective. The results have been mixed. Some schemes appear to have been more successful than others, but none stands out as an example of good practice on all counts. To understand better what works and what does not, the situation should be revisited in the future, perhaps in two or three years, to check on developments that are now only incipient. In particular, the impacts of the various schemes on the evident capacity deficit, caused by the flood of reforms and the subsequent demand for different, higher-level skills, should be fully assessed. A sustained investment in strengthening and expanding the national human resource base is certainly the long-term answer to many of the problems identified in this study.

1 Introduction

In response to the increasing criticisms of development cooperation, the search for new aid delivery mechanisms to enhance capacity development is high on the agendas of many international development agencies (IDAs). In the context of sector-wide approaches (SWAs) and other proposed new mechanisms, the pooling of funds for technical assistance (TA) is seen as a means to reduce the fragmentation of externally funded development activities, to encourage country ownership, and to reduce the considerable administrative burden on developing country governments.²

This discussion paper highlights the findings of a study of pooling of resources for TA in Mozambique. It was one of six studies undertaken within the framework of a wider review carried out by ECDPM and financed by the Netherlands Ministry of Foreign Affairs (DGIS).³ The other studies cover Botswana, Ethiopia, Mali, Tanzania and Uganda. The study involved parallel interviews with bilateral and multilateral IDAs in Europe and North America to find out about current policy and new thinking on this issue. Each of the case studies focuses on the current ‘state of the art’ of TA pooling at country level, including sector programmes.

The aim of this discussion paper is threefold: to contribute to the wider process of learning and thinking about the requirements of pooling initiatives, such as SWAs and budget support programmes, among IDAs and recipient governments, to ensure that they are effective; to provide ‘food for thought’ for the group of so-called like-minded IDAs,⁴ of which DGIS considers itself to be part; and to contribute to the OECD’s Development Assistance Committee (DAC) Task Force on Donor Practices, the Special Programme for Africa (SPA), and the DAC Network on Governance and Capacity Development (GOVNET). To this end, the report reviews the different practices of TA pooling in Mozambique and offers a number of discussion points for the wider debate on the application and usefulness of TA pooling, as well as the conditions under which it could be provided.

This paper is divided into six sections after this introduction. Section 2 provides information on the country and the broader context within which TA pooling is taking place. Section 3 presents an overview of the different types of pooling arrangements that can be observed in Mozambique. Section 4 analyses the lessons learned from pooling, as well as recurring problems and constraints that can hinder its implementation. A series of pointers, intended to contribute to policy discussions on the design and management of TA pooling, are listed in section 5. Finally, some concluding remarks are presented in section 6.

² Throughout the text, the terms ‘pooling scheme’ and ‘pooling arrangement’ are used interchangeably to describe the pooling of TA in a single management and financing framework.

³ The synthesis report can be downloaded from <http://www.ecdpm.org/pubs/tapooling.htm> or ordered from ECDPM.

⁴ This group includes Ireland, the Netherlands, Norway, Sweden and the UK.

2 The Broader Context

2.1 Country Background

Economic crisis and dependence on aid

Mozambique is recovering from 20 years of turmoil caused by economic crisis, war and social disruption. The economy remained buoyant throughout most of the 1990s, with a robust average growth rate of 9.4% per annum in 1996–99, but was severely affected by the floods in 2000. The government's firm macroeconomic management during the second half of the 1990s, which won international praise, has recently been shaken by serious departures from sound policy. In addition, the government's reaction to the insolvency of two recently privatised banks (regarded by many as overgenerous) has threatened the country's fiscal stability (World Bank, 2001).

The country's dependence on aid, which was total at the height of the crisis, remains high. During the period 1994–99, Mozambique was the largest single recipient of foreign assistance in Africa, amounting to US\$ 4.7 billion. In 1999, grants totalled US\$ 780.7 million (Economist Intelligence Unit, 2001). In 1997, of the 30 most aid-dependent countries, Mozambique, with aid amounting to 37% of GNP, was second only to Guinea-Bissau, with 50%. Although Mozambique registered a sharp decrease in 'aid intensity' between 1992 and 1997, the figure is still extremely high. Concerns about the implications of such an environment for the development of wider society seem legitimate (Bräutigam, 2000). Donor agencies and non-governmental organisations (NGOs) crowd the development arena, dominate the policy discussion and provide abundant external resources, particularly in certain privileged sectors, where the capacity to absorb them is very limited.

Democratisation and state reforms

In the late 1980s a series of reforms were introduced, signifying a radical break with the past, and the beginning of a wide range of change processes. The changes currently under way include the following:

- *Democratisation:* The democratisation process started with the end of the Cold War and the signing of the Mozambique peace agreement in 1992, negotiated between the Frelimo government and the rebel movement Renamo. Frelimo was returned to power in multiparty elections in 1994, and in 1999 scored a narrow and disputed victory over Renamo. Over the last decade, there have been some notable improvements in terms of democratic practices, generally indicating a 'normalisation' compared to the early 1990s. The democratisation process is still fragile, however, as shown by the electoral process of 1999, which took place in an environment of profound distrust between the main contenders (de Tollenaere, 2000).
- *Decentralisation* has been on the government's reform agenda since the mid-1990s, with mixed success. A few municipal councils, elected in 1998, are slowly establishing themselves, in the face of a civil service whose centralist tendencies remain strong. The weak capacity, unclear policies, an obstreperous opposition whose ability to govern at local level is questionable, and the competing demands of other reform processes, mean that fully fledged decentralisation remains a distant goal.
- *Changes in the public sector:* The fundamental policy shift towards democratisation and the introduction of a market economy have also resulted in the reduction of the role of the state and calls for substantial reforms in its functioning, notably with an emphasis on regulation and facilitation, rather than implementation. The public sector has been downsized in a wave of

privatisation that has relieved it of many of its previous responsibilities. In some sectors, such as health and education, however, the state remains the main service provider (due to the lack of private alternatives), particularly in the rural areas. The public sector, and the civil service that operates it, are affected by many shortcomings, including an outdated and incomplete legal and regulatory framework, weak enforcement mechanisms, an inadequate and rigid salary structure, poor career prospects, insufficient incentives, and weak, outdated and distorted management systems, all of which are compounded by serious skills shortages. After years of studies and debate, in 2001 the government of Mozambique (GoM) responded to these flaws by launching a public sector reform (PSR) programme, giving it the highest profile. The broad patterns of the reform programme have been sketched out, but full details and the implications for each sector still need to be worked out. Further, the resource envelope and the capacity requirements needed to carry out the PSR successfully, remain to be clarified.

- *Budget reform:* The old-fashioned budgeting system is gradually being restructured. The present inadequacy of planning, programming, accounting and auditing systems makes it difficult to analyse how the stated priorities translate into budget decisions, or how allocations materialise into outputs. Some sectors are experimenting with new approaches, often encouraged by the pooling schemes reviewed in this study. However, it has proved difficult to integrate the new instruments into standard practices at the macro, sector and sub-sector levels. The Ministry of Planning and Finance (MPF), concerned about the disruptive potential of the proposed changes on an already very weak system, has shown caution in endorsing new budgeting tools. Even successful 'pilot' schemes may therefore remain as such for many years because of delays in legislating for or regulating them.
- *Sector reforms and SWApS:* Reforms are under way in sectors such as health, education and agriculture. Some aspects of these reforms are shared across sectors, including the reduced role of the state, the separation of regulatory from delivery roles, outsourcing of many implementing responsibilities to third (usually private) parties, the introduction of managed internal competition, and decentralisation.
- *The labour market:* In the early 1990s the market for skilled labour in Mozambique was characterised as thin, distorted, fragmented, unfair, unregulated, opaque, heavily influenced by IDAs, ineffective, with inadequate competition and lacking sufficient information (Disch, 1994). Seven years later, despite progress in several areas, most of these shortcomings persist. No comprehensive initiative has been launched to tackle these distortions, which have been alleviated by many *ad hoc* measures, often introduced at sector level. Within the MPF only 6% of the staff hold a university degree, and within the Ministry of Health just 4%. The ongoing economic boom and the public sector reforms (which highlight the need to upgrade capacities at various levels in different areas) only make the imbalances more serious. In addition, many sectors are moving towards SWApS, which in terms of human resources translates into more demand for highly qualified staff, such as economists, auditors, accountants and lawyers. To make the picture even more problematic, the national human capital stock is being eroded by the mounting tide of AIDS.

Box 1: Sector-Wide Approaches (SWApS)

A SWAp is a method of working between and amongst governments, IDAs and some NGOs, in which significant funding for a particular sector is provided to support an agreed sector policy and expenditure programme, under government leadership, using common approaches across the sector. Many such approaches involve the use of government procedures for disbursing and accounting for the funds provided. SWApS are usually underpinned by a set of values that emphasise national ownership, national execution and policy dialogue. They aim to bring greater coherence to a sector by: (a) adopting a programme rather than a project approach, (b) reducing the fragmentation of development cooperation efforts; (c) working within a shared policy and financing framework; and (d) strengthening the national institutional capacity (Baser and Morgan, 2001).

The very limited human resources, which have not kept pace with the demands of the growing economy, the pervasiveness of international agencies and NGOs, the heritage of many years of

disruption, and the challenges of reconstruction, are the major factors that have contributed to the traditional heavy reliance on external technical assistance.

2.2 Pooling of TA: Definitions and Practice

In the literature and among IDAs, there is a wide range of understandings of pooling, as well as of what TA is. For the purpose of this review, the key terms are defined in the following paragraphs.

Pooling refers to the sharing or transfer of resources among IDAs to support the policy objectives of a developing country. Technical assistance is defined here as the transfer, adaptation, mobilisation and utilisation of services, skills, knowledge and technology. It includes expatriate and national short- and long-term personnel, plus training, support equipment, consultancies, study visits, seminars and various forms of linkages. TA pooling is seen as the integration of TA into a single management and financing framework under recipient country ownership or with third-party management support. It can occur both inside and outside sector programme support. This is in line with the original definition of free-standing technical cooperation used by the DAC.

The notion of TA pooling is further explored in section 3, where three types of pooling are identified to provide an overview of the arrangements found in Mozambique.

The emergence of TA pooling

The concept of pooling resources for more effective aid management is not new to Mozambique. Since the early 1990s it has been recognised that TA has been provided in kind in an uncoordinated manner by many IDAs in all sectors of cooperation, which explains the increasing calls for restructuring in this area (Disch, 1994). In the mid-1990s, initial agreements were made to harmonise aid flows and procedures, to engage in SWAs, to establish funding baskets for each sector, and to provide budget support. The latter has been promoted as a form of general pooling of aid into the national budget and is supported by nine major IDAs in the framework of the Mozambique Poverty Reduction Strategy Programme, and other IDAs are likely to join in the future. Efforts to rationalise external resources led to some early schemes, such as the Pooling Agreement for Technical Assistance (PATA) in the health sector. With the emergence of SWAs, the pooling of resources to provide TA has begun to be subsumed within this broader concept.

The understanding of TA in Mozambique

During interviews with government officials and IDA representatives, it became apparent that there are several interpretations of TA in Mozambique. Besides the provision of personnel to provide advice and to transfer knowledge and skills for ‘capacity building’, TA is also understood as the fielding of personnel to bridge capacity gaps in crucial areas of the public sector. It can include the provision of expatriate and national short- and long-term personnel for projects and programmes, as well as workshops, training, study tours and limited institutional support. The narrow definition of what TA should do is slowly fading in view of the recognition that a number of capacities are urgently needed to enable the government to carry out its core functions. Thus, whereas some IDAs see the recruitment of TA for gap filling as a valuable option, for the government it is an inescapable need.

Donors have traditionally provided experts – so-called advisory TA, often from their home countries – to fill high-profile, sometimes sensitive positions. At the ministry level, such experts are involved in providing policy advice, capacity building, or performing critical, one-off tasks, such as helping to design and implement reforms. At the point of service delivery, TA personnel are employed in line

positions: surgeons, agronomists, teachers, architects, etc. Given the serious skills shortages in all sectors in Mozambique, this kind of TA amounts to several thousand individuals, mainly expatriates. As the technical functions they perform are less sensitive, the IDAs tend to insist less on their own nationals than in the case of more strategically important positions.

With regard to the understanding of TA pooling, there is agreement among many IDAs in Mozambique that external assistance should be better structured and rationalised. The pooling of funds in SWAps is seen as a solution, but IDAs differ as to the extent they want to keep their financial and TA inputs tied or untied. There is also agreement that the key issue is not so much the pooling of TA, but rather the pooling of overall aid flows into sector programmes, to ensure that agreed development objectives are realised in the most effective way. Ideally, these funds should be used to procure goods and personnel from the global market, guided by a strategic framework and under the responsibility of government. The need to tender for, and finally to procure expatriate or national TA personnel, would then be in line with predetermined objectives.

Box 2: National versus Foreign TA

Traditionally, most TA personnel have been recruited from abroad, either directly by the Mozambican government or increasingly by the IDAs. For a long time, TA has been largely synonymous with 'foreign experts'. During the 1990s, however, an increasingly significant proportion of the TA recruited have been well-educated Mozambicans, most of whom have spent a substantial period abroad in undergraduate or, more often, postgraduate training. They have returned home to perform as experts, either part-time (thus keeping their civil service positions) or full-time, by leaving the public sector and working as independent consultants or for one of the many consulting firms that have mushroomed in Maputo. While this development has been welcomed by many actors, both within the government and among IDAs, the public sector has seriously suffered, as decision makers in crucial positions have been replaced by less experienced, less skilled staff. Further, those senior professionals who have made their name in the consulting market can take only advisory jobs, leaving hard decisions to junior staff. In some cases, the process has gone a step further, with high-level officials taking temporary leave and being recruited by the same institution to act as consultants – in fact as advisers to themselves. Clearly, only a substantial overhaul of civil service salaries and regulations will resolve this opaque, convoluted and inefficient situation.

The role of the government

Opinions differ as to the extent the government is capable of taking responsibility for guiding the process of TA pooling. So far, the government has made only modest progress towards leading the process, with IDAs and government officials engaging productively at the policy and operational levels. The capacity within the government to lead the process is weak, and clear guidelines and procedures on how to engage in the pooling of IDA funds are not in place. Consequently, it has not been able to incorporate TA systematically, or to prioritise the use of resources for TA. Nevertheless, since the 1990s, alongside the sector-wide initiatives, there have been several experiments with small-scale TA pooling schemes at the sub-sector level.

3 Mapping the Situation

This section provides an overview of pooling schemes either in place or under discussion in Mozambique. It describes a wide but not exhaustive range of pooling schemes in different settings, which hopefully captures most of the variations in the field, and provides a snapshot of a complex and still evolving situation. For instance, some proactive IDAs are reported to have been the driving force behind the SWAp in the agricultural sector in the past, but this does not exclude that the Ministry of Agriculture will take control of the process in the future. Some small-scale pooling schemes are under development or are being experimented with, and these are also evolving.⁵ Overall, the range of TA pooling efforts in Mozambique show that the situation is varied and dynamic, which makes it difficult to establish clear-cut categories. Nevertheless, we can provide an overview of the level of collaboration between the GoM and IDAs, both inside and outside sector programme support initiatives, and to what extent the government chairs the process.

Deployment of pooling schemes

In the following, TA pooling is seen as having three key characteristics. First, the TA activity must involve IDAs and national partners in some level of collective action to produce a development result. Second, it must involve some sort of sharing, collaboration or transfer of resources among the partners. Third, it must be explicitly designed to support the agreed policy objectives of the partner country, which must exercise strategic control over the TA. Variations can exist within these categories, but to simplify the discussion, they can be grouped into three main types: full pooling, mixed pooling and loose pooling arrangements, reflecting decreasing levels of collaboration between IDAs and the government, and the extent to which the government owns the procurement and management of TA.⁶ Table 1 gives examples of the three types of pooling in Mozambique, highlighting the government's role in coordination and management, whether the TA is tied or untied, and the government's role in procurement, contracting and day-to-day management of TA.

Box 3: Harmonisation

Harmonisation is the process by which IDAs seek to reduce the transaction costs for both their country partners and themselves by standardising their operational policies and procedures. These procedures apply to activities such as planning and programme design, reporting, procurement, contracting for services, the terms and conditions for national and foreign TA personnel, financial control and management, performance monitoring, auditing and budgeting. A number of IDA representatives also point out that the harmonisation of procedures cannot be separated in any meaningful way from the harmonisation of IDA policies. One obvious means of harmonisation is the use by all participating IDAs of government systems where these meet acceptable standards. (Baser and Morgan, 2001).

⁵ One form of pooling, not included in this overview, is the generic budget support provided to the GoM by nine donors, which is linked to documented progress in implementing the government's poverty reduction strategy.

⁶ For a more extensive description of the three categories, see Baser and Morgan (2001).

Table 1: TA Pooling in Mozambique

TA pooling*	Coordination and management by GoM/IDAs	TA tied/untied	Procurement, contracting and management by GoM/IDAs
Full Pooling			
PROAGRI (SWAp), supported by DK, the EU, IRL, NL, S, USA and WB; more IDAs showing interest in joining	Proactively initiated by IDAs, with ownership by GoM slowly building up	TA untied	By GoM, with discussions among IDAs to establish funds to finance additional TA to fill capacity gaps (contracting of this additional TA not defined)
Education SWAp (under development), supported by CDN, DK, IRL, NL, S, UK and WB	Strategic planning strongly owned by GoM	TA is expected to be untied	To be done by GoM
Gabinete de Estudos (Policy Research Unit, MPF), supported by CH, N and S	Strongly owned by GoM, decision on TA taken by GoM	TA untied	By GoM; decision to recruit Harvard University taken by MPF
Health (policy formulation), supported by DK, FIN, IRL, NL and UK	Strongly owned by GoM, decision on TA taken by GoM	TA untied	MoH contracting and managing TA
Mixed Pooling			
Health (PATA) (closed down), supported by CH, N and NL	Owned by GoM, decision on TA taken by GoM	TA untied	UNDP managing the contracting and payment of salaries; MoH supervising and assessing TA
Loose Pooling			
Tribunal das Contas, supported by P and S	Decision on TA taken by GoM and IDAs	TA is tied (Sweden recruited Portuguese TA)	Procurement and contracting by financing agency
Police Academy, supported by CH, ES and P	Decision on TA taken by GoM and IDAs	Portuguese and Spanish TA is tied; and untied by other IDAs	UNDP managing the contracting and payment of salaries

* CDN=Canada; CH=Switzerland; DK=Denmark; ES=Spain; IRL=Ireland; FIN=Finland; N=Norway; NL=Netherlands; P=Portugal; S=Sweden; UK=United Kingdom; USA=United States of America.

Reasons for TA pooling

Alongside the information provided in Table 1, it should be recognised that pooling arrangements have come into existence for different reasons, which in turn determine how the different actors – government officials and IDA representatives – support such initiatives over time and value the progress made in the respective schemes. The reasons for setting up pooling schemes can be categorised as follows:

- SWAp-oriented pooling schemes, proactively introduced by IDAs in response to the growing criticism of the fragmentation of aid, cover a broad range of expenditures, including TA, but with no specific arrangements. Examples are PROAGRI and the emerging education SWAp. In contrast with sub-sector, narrow-purpose pooling schemes, these financing mechanisms are providing useful lessons that could be applied to other arrangements.
- Sub-sector schemes, such as PATA in the MoH and the Gabinete de Estudos (GdE) within the MPF, are aimed at filling capacity gaps. Although in principle they could be integrated into more comprehensive arrangements such as SWAps, they are regarded as valuable on their own in that they deliver necessary services. The respective ministries are reported to be content with the present arrangements, whereas IDAs have advocated their further integration into comprehensive SWAp arrangements.
- Schemes designed to reduce competition among IDAs and/or to remove criticism and suspicions of divided loyalty in relation to sensitive functions. Examples include the technical planning team hired to support the formulation of the Health Sector Strategic Plan (PESS) and the GdE.
- Loose arrangements, where one IDA alone does not provide all the resources, and where contributions are meant to complement each other, without passing through actual pooling mechanisms and without formalising the links among converging IDA initiatives. An example of an informal arrangement is the police training scheme, where integration has been pursued and good results reportedly achieved.

The next sections provide a brief overview of the TA pooling schemes in Mozambique, together with information on their nature, history and the role of the government. The schemes are described under the headings full, mixed and loose pooling.

3.1 Full TA Pooling

It should be no surprise to find in this category the two SWAps reviewed (agriculture and education), which have been set up to encourage the transfer of resources and strategic control to the national partner. As originally conceived, a SWAp is a mechanism where TA is to be funded and procured from a pool or basket controlled by the government using untied IDA funds, which can be combined with country funds. The TA personnel are under full management and contractual control of the government. With regard to coordination and strategic management, ideally, the government chairs the process through joint working groups or committees, to which IDAs are invited. Full TA pooling can also be found within sub-sector schemes, where IDAs have started to experiment on a smaller scale with a view to transferring resources and strategic control, to the extent possible, to the national partner.

PROAGRI

Negotiations to introduce a sector-wide programme for agriculture started in 1992, and the scheme has involved progressively more IDAs. As of 2002, PROAGRI's third year, eight agencies are pooling their funds, and many more are closely following the process. Opinions about the programme diverge dramatically. Some informants are unreservedly positive, stressing the substantial progress that has been made after years of hard work to bring together so many players and to design and introduce

updated, activity-oriented planning and budgeting tools. Other actors are more critical, both of PROAGRI and other emerging SWApS. The criticisms of PROAGRI include:

- the slow rate of implementation, with only about 30% of the total budget disbursed within half the programme's timeframe;
- the centralised nature of the programme setting;
- the weak ownership by recipients, who only now are fully exposed to and are starting to participate in the programme;
- the unclear policy direction – some informants claim that the emphasis on financing mechanisms has sidelined the discussion about agricultural policies; and
- ambiguities with regard to the programme's main goal (formally the reform of the Ministry of Agriculture), which is seen differently according to the perspective of the actor concerned.

Many respondents reported concerns about the programme's success, particularly in relation to the existing capacity, which is seen as inadequate. To overcome the capacity constraints, the hiring of additional TA using new funds was considered, since the programme's limited financial envelope restricts the hiring of TA in significant numbers. The introduction of a pooling scheme outside PROAGRI is now being discussed as an option to move forward.

Education Sector Strategic Plan (and related, emerging SWApS)

The roots of the education SWAp can be traced back to 1995–97, during the discussions that led to the formulation of the strategic plan for education, which attracted broad IDA support. Since then, progress is reported to have been slow but sustained. The Ministry of Education (MoE) is considered to be in control of the process, with supporting IDAs in a reactive rather than proactive position. It was reported that in the past some IDAs had tried to manoeuvre to dominate the process, but that these efforts had been contained by the MoE's firm leadership and the reactions of other agencies. The creation of a common pool fund, intended to finance a broad range of expenditures contemplated in the strategic plan, is seen as imminent. Initially, the pooling arrangement will be financed by a core group of IDAs, with other agencies continuing to support the implementation of the strategic plan outside the pooling scheme. Meanwhile, concerns about the existing capacity (particularly at the provincial level) are fuelling discussions in the direction of hiring additional TA. The MoE, however, is wary of relying excessively on TA to address its own capacity constraints, and partners are trying to find a trade-off between too much TA (with the serious side effects easily identifiable in other sectors) and too little (with the ensuing problem of inadequate capacity to implement the agreed plans).

Gabinete de Estudos (GdE, Ministry of Planning and Finance)

This policy research unit was proposed in 1996 and established in 1997 by the Minister of Planning and Finance, in view of the capacity constraints and the enormous challenges faced by the government in terms of policy formulation and in its negotiations with international funding agencies. After an informal round of contacts with renowned institutions, the Harvard Institute for International Development was chosen to provide technical support. The GdE is now regarded as a qualified success. An evaluation commissioned by the three funding agencies (Jørgensen and Aarnes, 1999) praised the government's strong ownership, the unit's important contributions to policy formulation, the high quality of the work, and the huge systemic returns on the investment in the unit. On the negative side, the evaluators found that the experts hired by the scheme have mainly played a gap-filling role, producing crucial policy documents without making a sustainable contribution to the national capacity. With regard to the potential of the project, a particularly negative aspect (and instructive of the constraints facing all such initiatives in Mozambique) has been the MPF's inability to hire the planned number of Mozambicans to fill high-level positions within the unit. This is due to the unattractive salaries, as well as the very tight market for senior economists. The future of the

pooling scheme is unclear. Donors envisage that all TA will be progressively incorporated into a SWAP-oriented common financing mechanism, whereas the MPF (which is perhaps better aware of the difficulties ahead) is rather cautious about moving in this direction.

Health Sector Strategic Plan

This small TA pooling scheme, introduced in 1998 to support the formulation of a health financing strategy, was later extended to include the development of a strategic plan for the health sector. Many IDAs have supported the scheme. The main reason for setting up the pooling scheme was to reduce the IDAs' influence (real or perceived) over TA personnel in charge of sensitive policy work. By joining the scheme, the IDAs signalled to the MoH their support to its effort to develop an updated strategy for the sector. The pooling scheme can be regarded as successful in that it granted the MoH total control over the hired TA. Assessing the effectiveness of the pooling arrangement in delivering the expected returns is more difficult, as no formal evaluation has been attempted, but some concerns appear to be justified. The financing strategy has not been finalised, and the formulation of the strategic plan has taken longer than foreseen, and still needs substantive work before it can be implemented (Segall, 2001). Moreover, the existence of this arrangement has not deterred IDAs from launching additional and potentially competing initiatives to provide policy advice.

3.2 Mixed TA Pooling

Mixed pooling arrangements can vary according to the level and intensity of national coordination and strategic management (mainly done by the national partner). The procurement and management of personnel is handled by an IDA or other third party, and there is no common pool of finances managed by national authorities. In such arrangements, the provision of TA can be tied or untied, depending on the conditions and procedures under which each IDA is involved in the scheme. In Mozambique, only one of the reviewed pooling arrangements falls into this category.

Pooling Agreement for Technical Assistance (PATA) for Specialist Hospital Doctors

PATA was introduced in 1996 to rationalise the situation in which many IDAs were supporting specialist hospital doctors under various arrangements, with different salary levels, allowances, etc. This five-year pooling arrangement responded to the need for a fairly high level of financing to pay the doctors, and provided a way to proceed towards standardisation. PATA was managed by the Ministry of Health (MoH), which identified vacancies, selected, supervised and assessed foreign personnel, and was administered by UNDP, which formalised contracts, paid salaries and checked procedures. In 1998, the funding agencies informed the MoH that they would be willing to continue their support for the scheme after it expired, provided that the Ministry formulated a new arrangement to integrate it into public sector functioning, in order ensure its sustainability in the long run. The MoH failed to develop an acceptable proposal, however, and the pooled financing came to an end in March 2000. Among the many reasons for the failure of PATA were the strained communications between the funding agencies and the MoH, the lack of consensus among IDAs on the way forward (some of them actively pushed for the introduction of a SWAP in the health sector), the inadequate involvement of the MPF, and poor coordination inside the Ministry. Experts in the health sector described this development as the premature dismissal of a simple and relatively successful scheme to support a sensitive area of hospital care.

3.3 Loose TA Pooling

Finally, in ‘loose’ TA pooling arrangements, decisions are taken by the government and IDAs, and control of the TA personnel remains the responsibility of national authorities. In these usually sub-sector pooling arrangements, one or more IDAs are involved in the supply, procurement and management of the TA, which may be tied or untied. This least collaborative form of pooling, and in some instances in Mozambique with less national ownership, is also to be seen in situations where groups of projects are connected through a coordination arrangement with the government. In Mozambique two schemes were found to fall into this category.

Training of the police

Several IDAs are supporting activities to upgrade training for police officers, as well as professional training for staff at higher levels. The agreements are not structured into pooling arrangements, but it is reported that the various efforts have been complementary and effective. UNDP channels Swiss financial support to the Ministry of Interior, which runs the Police Academy, while Spain provides expatriate trainers from the Guarda Civil. The Netherlands and Spain are contributing to the programme, also through UNDP, and Portugal also provides some TA. The choice of the Guarda Civil to supply this TA was made by the GoM. Consequently, a variety of IDAs were approached to fund this arrangement.

Tribunal Administrativo (Supreme Audit Office)

The project involves institutional cooperation between the Supreme Audit Office of the Tribunal Administrativo of Mozambique and Sweden’s National Audit Office (RRV). The RRV has invited Portugal’s Tribunal das Contas (TdC, Accounting Court) to participate in the project by providing short-term TA personnel on secondment, and to act as RRV’s professional partner, with responsibility for selecting professional staff. The involvement of the GoM in deciding on the kind of TA supplied is uncertain. MPF officials expressed their reservations about this scheme, which is perceived to be influenced by the donors to an unacceptable degree.

4 TA Pooling: Lessons Learned and Shortcomings

Although the experiments with pooling in Mozambique have been ongoing for a longer period than in many other countries, they are still relatively recent, dating back to 1994, and there has been little analysis of them. The information available from the government and the agencies involved is limited. There is relatively little discussion among stakeholders on this issue, and within both the government and IDA community the thinking about the operational implications and potential benefits is at an early stage. Nevertheless, we can highlight a number of lessons learned from these pooling schemes, and some shortcomings in terms of management and unintended consequences of the execution of the arrangements. Note that the following lists do not attempt to be exhaustive.

4.1 Lessons Learned

Based on the experiences in Mozambique, this section lists a number of lessons learned from this analysis of TA pooling schemes, and suggests ways to improve their effectiveness.

The importance of adapting pooling schemes to context and environment: Context-aware and context-sensitive initiatives stand a better chance of success than grand, ambitious and one-size-fits-all schemes. The GdE is the best example of a scheme intended to fill a perceived crucial capacity gap, which was introduced to fit into an existing structure, and was supported (from a distance) by a group of IDAs that were knowledgeable about the Mozambican situation and were used to engaging with the government.

The need to invest in knowledge and institutional memory: Many influential actors involved in the reform process in Mozambique are unfamiliar with the legal and regulatory frameworks in the public sector. Efforts to build up collective knowledge could provide handsome returns, however, and may be achieved in a number of ways: by supporting relevant studies, by disseminating the results, by offering officials real incentives to absorb their content, by reducing the turnover of IDA managers, by reducing the foreign travel of government officials, by relieving overburdened managers of too many commitments, by nurturing institutional memory, by encouraging substantive contacts between officials working in and outside the capital, and by reducing time-consuming ceremonial events.

Allowing time for experimentation: Successful schemes tend to evolve slowly. In Mozambique, the rapidly changing environment, which is often poorly known to participants, means that stable arrangements are uncommon. The negotiation of elaborate schemes that encompass most or all issues and specifics can become a waste of scarce resources. By their nature, most pooling arrangements are novel to both IDAs and recipients, who can identify and address the difficulties only through hands-on practice. Thus, progress is more likely to be achieved if IDAs and recipients build up their knowledge through patient experimentation rather than by the application of abstract theoretical principles.

The importance of assessing the demand for TA: Even for limited schemes, such as PATA or the GdE, there should first be a systematic analysis of the sector concerned and the skills required, in order to clarify whether the identified problems will be addressed by recruiting TA, or if other measures are in order. Indeed, to ask for more staff is a favourite strategy of managers and should be actively discouraged. If additional TA is found to be needed, however, the implications should be realistically appraised. If the measure is to be temporary, a phasing out strategy should also be formulated. If the analysis suggests that TA personnel will be necessary over a long period, as in the case of PATA, ways to integrate them into the general functioning of the public sector need to be identified. Too often, the pooling of funds is looked at in isolation. TA is more likely to be used effectively if the pooling of resources for TA is regarded as an integral part of an overall development strategy, and if the ‘demand’ for inputs – financial and technical – is based on agreed objectives and expected outputs and impacts.

Rationalising external assistance: One way to improve the coordination, efficiency and effectiveness of aid is to reduce the number of agencies active in a single sector. In Mozambique, the overcrowding of some sectors, such as agriculture and health, makes harmonisation either elusive or very costly. If the IDA community were to streamline their portfolios, reduce the number of agencies involved in each sector and focus their respective funds, expertise and attention on fewer areas in which they hold or can build a comparative advantage, it would be easier to coordinate and integrate their inputs into the government's plans for that sector.

Supporting institutional capacity strengthening: In general, TA is effective when it responds to real needs, it is under the responsibility of the government, it is untied, and when recruitment procedures are rational, transparent, accountable, and comply with civil service rules and regulations. Clearly, when fragmentation prevails in a sector, the above conditions are unlikely to be met, but pooling may be effective as a means of restructuring. Along the same lines, pooling of funds for TA is beneficial to the host public sector if it is well integrated into its functioning and in the long run is suitable for absorption into the system. A performing pooling scheme can contribute to identifying both the weaknesses of the environment and workable solutions. In the health sector, for example, PATA revealed the lack of objective criteria for the deployment of hospital doctors and provided the impetus to formulate them. The fact that this issue generated considerable controversy reveals its importance.

4.2 Shortcomings and Unintended Consequences

Pooling of TA is a new field that needs experimentation. In terms of the management of pooling schemes, there are a number of evident shortcomings, with unintended consequences for the efforts to encourage ownership and to transfer responsibilities to the national partners.

Excluding key stakeholders from crucial processes: In the case of PROAGRI, the negotiations were conducted by an inner circle of privileged (mainly IDA) decision-makers, excluding government officials and the public. This generated misunderstandings about PROAGRI's aims, false expectations of salary increases, indifference, weak commitment and the (understandable) feeling that PROAGRI was run by the IDAs, rather than the government. There is a risk that key stakeholders will be excluded from crucial processes in fragmented sectors where communications are poor. In the case of PROAGRI, this exclusion was reinforced by the fact that documents were not only written, but also patently conceived in English, and many were not even translated into Portuguese. The shallow nature of the argument for national ownership contained in these documents is self-evident.

Continuing parallel bilateral IDA activities: In Mozambique, IDA missions, advisory TA and special initiatives continue to proliferate alongside and despite the existing pooling schemes. Whether the introduction of pooling has actually reduced transaction costs is therefore questionable. For example, between May 2000 and April 2001 the MoE received no less than 23 separate bilateral IDA missions. Further, in 2001, an important bilateral agency pushed for a large education programme that was not part of the MoE's strategic plan, nor did it complement the ongoing work towards a SWAp that is soon to be introduced.

The perception that IDAs are 'ganging-up': Despite the potential efficiency gains for IDAs that join in a pooling scheme, this is not always welcomed by recipient managers, who, faced with difficult situations, may come to regard IDAs as dominating the scene. In the case of the TdC, the tight partnerships among IDAs in this sensitive area fuelled unease within the government. The reduced fragmentation may also have clear downsides for the recipients, in that it may narrow the availability of options for alternative funding. Unsurprisingly, some managers are back-peddalling on integration and are looking for other sources of financing. In the case of PATA, following the collapse of this pooling arrangement the MoH tried – unsuccessfully – to approach various agencies to foot the unpaid salary bill.

Designing over-ambitious schemes: In virtually every scheme reviewed here, there is a gap between the agreed plans and goals and the existing implementation capacity. This is also the case in many other developing countries (Berg, 2000). The standard answer to a shaky implementation record – usually recognised late and reluctantly by stakeholders – has been to provide additional resources (including TA) as a means to boost capacity, despite the fact that the lack of capacity is often a consequence of more than just resource scarcity. Other causes include distorted systems, outdated rules and regulations, inappropriate incentives (positive and negative), the inadequate knowledge of both IDAs and recipients alike of the issues at stake, poor management, or simply over-ambitious goals compounded by hurried timetables (Disch, 1994).

Underestimating the capacity needed to implement pooling arrangements: During the preparatory work that led to the formulation of the agriculture and health sector programmes reviewed here, the expanded demand for TA, induced by the capacity constraints and the institutional development initiatives aimed at addressing them, was regarded as a marginal issue. The issue of TA came to the negotiating table later, almost as an afterthought, once the implementation problems faced by each programme became apparent. The discussion concerning hiring additional TA to implement PROAGRI underlines this point. In both programmes, the capacity to conduct strategic analyses and plan complex processes, to manage aid flows in an appropriate manner, and to account for them in an orderly way was not in place.

Lack of up-to-date information and analytical capacity: The orthodox claim that recipient governments should be responsible for defining their own TA needs is often at odds with the reality. Many public sector managers lack adequate up-to-date information and the analytical capacity to carry out objective needs assessments. In the Mozambican setting, disagreements between recipients and IDAs about TA requirements can be based on very shaky evidence. Giving the last word to recipient bodies on the grounds of sovereignty alone is insufficient. Both sides need to be able to place greater reliance on robust analysis, both to encourage objective decision-making aimed at boosting efficiency and effectiveness, and thus to sideline national versus foreigner arguments. However, the political sensitivity of the issue means that it is rarely rationally handled.

Weak dissemination of lessons learned: With the exception of PROAGRI, which is widely known outside the area of agriculture, sector programmes in Mozambique have tended to evolve in isolation, without always taking full stock of experiences and insights gained elsewhere. The lessons learned in managing external resources percolate with difficulty from one sector to another. For example, government officials and IDA representatives dealing with aid in sectors other than health had only limited knowledge of the experience gained in the PATA scheme. The lack of effective and efficient dissemination tools and learning mechanisms, beyond the standard coordination meetings (which are arguably both ineffective and inefficient), is badly felt throughout the public sector. Clearly, central GoM bodies with overarching mandates could play an important role in encouraging learning across sectors, by providing clarification, guidelines and procedures.

5 Designing and Managing TA Pooling: Issues for Discussion

Based on the positive aspects, as well as the bottlenecks encountered in Mozambique in the move towards pooling, and in particular pooling for TA, a number of factors can be identified that could be addressed when decisions concerning pooling are to be taken. In the following, these factors are grouped under generic headings in order to stimulate discussions on how to proceed and to compare the advantages and disadvantages of various approaches. The section does not claim to shed light on all aspects of this complex issue, and many questions and other viewpoints remain for discussion before the suggestions can be implemented at field level.

Process or content?

Making a choice: The informants' assessments of the initiatives in different sectors varied significantly. Some interviewees stressed the value of the process, which they regarded as an output in itself, from which they wanted to learn in order to move forward. Others emphasised the content and outcomes of the work done, arguing that even a participatory, motivating process, following state-of-the-art models, has to deliver tangible results at reasonable cost in order to be considered worthwhile and eventually become self-sustaining.

Pooling of TA versus SWAps

Mixing instruments: Some interviewees commented that they see sub-sector pooling arrangements as lesser alternatives to SWAps, pointing to the fact that once a functioning SWAp is in place, the need for and scope of pooling at sub-sector level, such as for TA, is significantly reduced. An analysis of information obtained (particularly on PROAGRI) suggests, however, that in real situations the choice is not simply between a pooling scheme or a SWAp. A mix of instruments could also be considered, depending on each specific context rather than on up-front preferences. In this view, the varied picture of the Mozambican public sector, with its diversity of approaches, is refreshing. That the same IDAs have chosen different options in different sectors (as could be observed on a number of occasions) may be a healthy sign of sensitivity to context. Conversely, the pursuit of unified standard approaches, supposedly to work across sectors with dramatically different features, would appear to be conceptually arguable and will ultimately prove to be in vain.

Using TA pooling in highly fragmented sectors: TA pooling could be useful as a temporary mechanism in highly fragmented sectors with weak government leadership. One informant argued that too many pooling schemes (particularly those introduced to satisfy specific IDA agendas) should be avoided, otherwise they will only perpetuate the fragmentation. Another interviewee commented that even the partial integration of IDA inputs would represent considerable progress, provided they respond to real needs. Ideally, such consolidation would be a temporary measure before being incorporated into a wider strategic programme of support for institutional reform, such as enhancing financial management capacities, training activities, linking up with the public sector reform process, etc.

Proceeding stepwise

Moving incrementally: A SWAp such as PROAGRI appears to be a sophisticated, top-down and complex programme that is poorly adapted to a weak environment such as Mozambique. This SWAp could be well described as 'one step taken too early' towards better IDA–government coordination. The alternative could have been to move incrementally, through intermediate, bottom-up steps, such as

sub-sector TA pooling. It is therefore surprising that both among IDAs and within the government, the agriculture SWAp is often portrayed as the model to be followed.

Using pooling of TA as a learning opportunity: In such a weak environment, as a preliminary stage to a SWAp, TA pooling could provide an opportunity for different IDAs and the government ‘to test the water’ before embarking on more intense coordination. In particular, it could be used to experiment with joint management of funds, to gain a better understanding of the functioning of the public sector, and to hand over responsibilities for the management of these funds to government authorities. In the PATA and GdE schemes reviewed here, however, their ‘success’ in a strictly technical sense has not motivated the ministry concerned to expand the scope of the TA pooling arrangement to encompass other activities, and thus to move towards a SWAp.

Encouraging ownership

A need to revisit the issue: In an unfavourable and IDA-dominated environment such as Mozambique, the meaning of ownership needs careful scrutiny. Innovative concepts such as TA pooling and SWAp have been placed on the national policy agenda because they are energetically advocated by IDAs, and not because they are indigenous concerns. There is a tendency for government to opt (even at the level of intention) for policies that enjoy donor favour, so as to keep the aid tap wide open. Officials are thus twice restrained in their (often voiced) willingness to own their national development – both by the resources that donors make available, but only according to their own priorities, and by the inadequate domestic technical and managerial capacity, which makes genuinely indigenous priority setting difficult. Unable to assess policy options or to critically appraise or even reject the analyses put forward by high-profile agencies, government officials end up endorsing all the priorities tabled by donors (which often amounts to having no choice at all). Real priority setting, therefore, ultimately depends on the financing available to each activity, rather than on rational policy decisions. Within such an unfavourable environment, ‘ownership’ boils down to making the most of the narrow room for decision-making left to government officials. Some sectors and decision-makers appear to be more successful (or perhaps more committed) than others in this sense. Without stronger capacity in place, both the government’s ability to claim ownership, and the IDAs’ willingness to relinquish control over aid may be rather limited. Both sides need to look at the way they do business in order to find ways to increase national ownership.

Box 4: What does ‘Ownership’ Actually mean?

In theory, [ownership] should apply to the ability of governments to implement their own development visions, whether or not these coincide with those currently popular in the development industry. In practice, the term is currently used to denote the extent to which there is a coincidence of interest and ideas between aid agencies and the political leadership regarding the design and implementation of certain programs and policies favored by the aid agencies. For difficult economic reforms that involve risks to the political survival of the leadership, or for low priority projects without much political payoff, the interests of these two key sets of actors will rarely coincide, and so ‘ownership’ (by political leaders) is likely to remain limited (Bräutigam, 2000).

Formulating a national policy on pooling: The GoM has not articulated an explicit policy in relation to the pooling of external resources, preferring to leave each sector to experiment with the concept according to its own specific situation. Even in interviews with central ministry staff, the uncertainty is evident. Government officials appear more interested in the concrete returns from a scheme than in furthering standard models or tinkering with development theories. Thus, the pooling of external resources and SWAp in general seem to be promoted by IDAs on theoretical grounds, and to be accepted by the government on pragmatic ones. The formulation of policy guidelines on pooling by the recipient government could provide a way out of this difference in thinking and help to streamline a national approach by bringing IDAs and developing countries together.

Taking account of coordination costs

The need for up-front assessments: Donor agencies have demonstrated a high level of commitment to and persistence in ensuring the success of the Mozambican agriculture SWAp, despite the difficulties. In fact, the weakness of the Ministry of Agriculture, its unclear policies, the shaky record of agricultural SWAps worldwide (Brown *et al.*, 2000), the sensitivity of some of the issues involved, all make the agricultural sector an unpropitious environment for a ground-breaking experiment. It also appears that the IDAs did not adequately assess the situation at the start of the process. The impression is that in view of the huge initial investments, the partners in PROAGRI have concluded – consciously or unconsciously – not to abandon the initiative, even though progress has been slow and the costs high.

Calculating the real costs of coordination: The huge cost of introducing certain pooling schemes, particularly SWAps, has probably offset actual and even potential returns. The length of time needed to establish a SWAp, and in particular to discuss the implications of the new approach with all parties involved is often underestimated. For PROAGRI, it took the IDAs and the government more than seven years of negotiations to reach the implementation phase, as well as an enormous amount of expertise and resources on both sides to manage the process. A provocative but sensible proposal (ECON, 1999) suggests billing all coordination efforts at real cost, with a view to identifying and dropping the most expensive and non-performing ones.

Box 5: Quotes from Interviewees

‘Pooling schemes risk becoming islands: efficiency in one sector or sub-sector does not compensate for global inefficiencies’.

‘How to carry out frank assessments when everything is the joint responsibility of GoM–donor teams?’

‘Many like-minded donor officials are suffering, under pressure from their headquarters to move towards SWAps’.

‘SWAps may interfere with old and consolidated bilateral partnerships’.

‘The Ministry of Education is still holding the fort – i.e. maintaining its control over the strategic direction taken by the sector’.

‘There are no incentives to change existing practices within the public sector. Everybody benefits from the present uncoordinated and fractured situation’.

6 Concluding Remarks

The above review of the efforts of IDAs and the government to pool assistance into SWAps in a context in the midst of a process of reform, portrays Mozambique as a laboratory, where most or all concepts, instruments and approaches presently fashionable in the international development arena are being tested. Most of these imported novelties have been introduced into the Mozambican scene at the initiative of an IDA. The country's brilliant postwar performance has given the country the reputation of a favourable environment, where 'good policies', in the sense of the World Bank's *Assessing Aid* (1998) prevail, while the fall from grace of other aid-receiving countries has reduced the number of alternatives available to donors. The net result has been the proliferation of generously financed initiatives, which have raised enormous expectations, at least within the IDA community. Mozambique therefore represents the extreme case of a country doing its best to follow most prevailing international prescriptions (primarily from the Bretton Woods institutions) and IDA initiatives. To study the situation and the eventual outcomes of these efforts could be extremely instructive for the country itself, as well as for future aid theory and practice in other settings.

The overall picture of TA pooling in Mozambique gained from this study is clearly varied. Many sectors are experimenting with different approaches to rationalising external assistance in order to make it more efficient and effective. The results have been mixed. Some schemes appear to have been more successful than others, but none stands out as an example of good practice on all counts. To understand better what works and what does not, the situation should be revisited in the future, perhaps in two or three years, to check on developments that are now only incipient. In particular, the impacts of the schemes on the evident capacity deficit, caused by the flood of reforms and the subsequent demand for different, higher-level skills, should be fully assessed. A sustained investment in strengthening and expanding the national human resource base is certainly the long-term answer to many of the problems identified in this study.

For the time being, a few tentative lessons can be drawn. The costs to stakeholders of setting up joint schemes tend to be high. Progress has been consistently slow across sectors, and in some cases gains have actually been reversed. Some of the most important hurdles have been structural, encompassing the entire public sector, suggesting that more attention should be paid to them, rather than to concentrate efforts within specific sectors, since the returns can only be partial if systemic constraints persist. The most promising schemes have been promoted by ministries who took the initiative to formulate concrete solutions to domestic concerns, with donors responding supportively, rather than pressing for ambitious, imported solutions to IDA-perceived problems. A restructuring of the aid relationship is badly needed and pooling of external resources may offer all actors a learning opportunity, where new ways of working together are discovered and tested. This restructuring is unlikely to proceed much further, however, if the imbalances in terms of resources, power, drive and capacity between recipients and IDAs remain as large as they are today in Mozambique. Both sides need to look inward at their own inadequacies and to address them resolutely, before expecting or asking the counterparts to do the same.

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