Taking Charge of Technical Cooperation

Experience from Botswana: A Case of a Country in the Driver's Seat

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Experience from Botswana: A Case of a Country in the Driver's Seat[1]

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[1] This case study report was written by Tony Land, ECDPM Programme Associate, who lives in Botswana.

1 Introduction

This review of Botswana is one of six background studies (Ethiopia, Mali, Mozambique, Tanzania and Uganda being the others) carried out as part of a broader study on the pooling of funds to finance technical assistance (TA) in the context of sector-wide approaches and other new aid delivery mechanisms. Under a pooling arrangement, international development organisations share or transfer resources to support the policy objectives of a developing country. This study is, in turn, part of the ongoing reflection within the development community on how to harmonise procedures so as to reduce the fragmentation of externally funded development activities, and to ease the considerable administrative burden they impose on developing country administrations. The study must also be seen in the context of the long-standing debate about how to increase the impact of TA, here defined as the transfer, adaptation, mobilisation and utilisation of services, skills, knowledge and technology. TA includes short- and long-term personnel from both national and foreign sources, plus training, support equipment, consultancies, study visits, seminars and various forms of linkages. The desk review on Botswana defines the conditions under which TA in that country has been very effective.

The broader study of TA pooling, entitled *The Pooling of Technical Assistance: An Overview Based on Field Experience in Six African Countries*,[2] was commissioned by the Ministry of Foreign Affairs of the Netherlands and carried out by the European Centre for Development Policy Management (ECDPM). The results of the study are expected to contribute to the discussions of a number of policy formulation groups, such as the like-minded group, the DAC Task Force on Donor Practices, the DAC's Govnet, and the Strategic Partnership with Africa. The study also aims to provide practical guidance for development workers in the field on where pooling is an appropriate instrument, and what steps can be taken to increase its prospects for success.

The broader study of pooling is concerned primarily with countries that remain heavily dependent on aid, and where efforts are being sought to improve the effectiveness of technical assistance and sectoral approaches, particularly with respect to capacity development. In contrast with such aid-dependent countries, however, Botswana's experience with aid in general, and TA in particular, has been very different; the general view is that is has been a positive one. This can in part be attributed to the particular way in which the government has managed the donors' financial and technical resources. As a result, the classic 'ills' of TA that are so often reported in the literature – the lack of country ownership, too many stand-alone projects, parallel structures, burdensome procedures and accounting requirements, the lack of coordination and poor sustainability – seem to have been less apparent in Botswana's experience of cooperation with external partners.

At independence in 1966, Botswana was ranked as one of the world's least developed countries, yet today it has 'graduated' from aid, and is listed as a middle-income country. Most donors have now withdrawn their assistance from the country, and aid constitutes only a very small proportion of development expenditures. However, the country still faces significant capacity 'gaps' in both the public and private sectors, and therefore continues to purchase expertise from around the world.

Can Botswana offer lessons for other countries, particularly those that are still dependent on aid and are seeking better ways to manage their aid resources? What implications might there be for the concept of 'pooling'?

Drawing on the recent literature on this topic, this study summarises the key characteristics of aid management in Botswana, regarded as significant for the wider study on Pooling, and considers some

2 The study can be found via the ECDPM website (www.ecdpm.org). Hard copies can be ordered from Jacquie Croucher, ECDPM, Onze Lieve Vrouweplein 21, 6211 HE Maastricht, the Netherlands, Fax: +31-(0)43-350 2902, email: jc@ecdpm.org. The Ministry has also kindly made the Botswana case study available through the same sources.

of the implications for ownership and capacity development. This is not therefore a study of the effectiveness of aid, nor does it evaluate policy choices of the Government nor the performance of specific programmes and projects. Readers interested in these aspects may wish to consult the extensive literature on Botswana's development record.

2 Aid to Botswana – Some Facts and Figures

At independence, Botswana was dependent on British grants, and only 27.5% of civil servants at professional and administrative levels were Batswana. The discovery of diamonds in the early 1970s transformed the country's prospects for rapid social and economic development based on a domestic resource base.

During the 1980s, Botswana received one of the highest per capita aid allocations of any developing country, estimated at US$ 200 per capita. However, as a percentage of government expenditure, aid represented 45% in 1973, but this fell rapidly to 20% in 1982 and just 5% in 1993. Over the same period the number of donors active in the country proliferated, at least ten of which provided significant amounts of aid.

Technical assistance was probably the most significant component of aid to Botswana. Although the country had established a financial base, it faced critical shortages of skilled personnel. Despite the widespread localisation of TA personnel, the continued growth of the public sector and increasing competition from the private sector have meant that capacity 'gaps' remain, and the country still relies on the recruitment of expatriates.

3 Features of Aid Management in Botswana

Based on a search of the literature, one can identify four features of aid management in Botswana that have contributed to the government's comparative success in remaining in the 'driver's seat'.

3.1 Integration of Aid into the National Planning and Budgeting System

Probably the most significant factor has been the fact that almost all external resources have been integrated into the country's national planning system. Thus there has been no separate system for aid and for nationally funded activities. This has been possible by virtue of a robust and centralised national development planning system, which has provided the 'backbone' for the country's development efforts and a framework for coordinating and managing the implementation of government's development priorities. The successive five- and six-year national development plans that have been implemented since independence have offered a framework for matching policy, plans and budgets. Their establishment was seen as a way not only to allocate scarce resources in the period immediately after independence, but also as a mechanism for attracting foreign assistance.

Botswana's planning system is coordinated by the Ministry of Finance and Development Planning (MFDP), through which all spending ministries channel their expenditure proposals. Planning officers, responsible to the MFDP, are seconded to all spending ministries and play a leading role in the planning and budgeting process. All spending proposals, whether emanating internally or from outside sources, must be submitted in accordance with the strict procedures spelt out in the Planning Officers' Manual.

The 'weight' of the national development plans is reinforced by the process of parliamentary approval, which gives the plans the force of law. Further, no new projects are accepted unless they can be accommodated within the plans, and again require parliamentary approval. Meanwhile, parliament's Public Accounts Committee plays a key role in monitoring the implementation of the plans, including the use of external resources. Parliamentary involvement in these ways has helped ensure political as well as administrative ownership of the planning, budgeting and reporting processes[3].

3.2 Integration of TA into the Public Service Establishment

Human resources planning and budgeting have constituted an integral part of the national planning process, and fall under the responsibility of the Ministry's Directorate of Public Service Management (DPSM). In this respect, the DPSM takes charge of the recruitment of expatriates and oversees the process of localisation. In view of the country's severe skills shortage, TA personnel have been a core component of aid flows, and have played a significant role in strengthening the technical and delivery capacities of the public service.

Consistent with the principle of integrating all external aid into the national development plans, technical assistance, whether free-standing or linked to specific projects, has been integrated into the human resources plans of the public service. In this respect;

- TA requirements are considered within the perspective of overall sectoral and institutional needs, rather than solely in terms of individual projects;
- TA personnel are generally assigned to established posts (line positions) rather than to projects or advisory positions; and
- TA personnel are contracted by, and are responsible to the government in the first instance, and to the sponsoring donor second. It should be noted, however, that with the withdrawal of donor assistance in recent years, the government now directly sources expertise internationally where it is unable to fill posts locally.

3.3 Centralised Coordination and Bilateral Negotiations

As coordinator of the national planning process, MFDP has assumed a central coordinating function for all dealings with external agencies. The Ministry plays a leading role in identifying, negotiating monitoring and reporting all forms of external assistance through its Aid Coordination Unit. Thus although line ministries are free to identify potential partners, they cannot enter a contract with a donor. Instructions on how to handle external assistance are spelt out in the Planning Officers' Manual. In this respect, and in view of the fact all donor commitments have to be channelled through the national planning system, the government has been able to 'coordinate' the donors.

The government has also chosen not to deal with donors as a group, preferring to maintain bilateral relations with each agency. Meeting the donors as a group was perceived to weaken the country's negotiating position, so that the 'round-table' system that is common to many other donor–recipient relations was never introduced. Additional coordination mechanisms also appeared superfluous, given that the national planning system offered a satisfactory framework for coordinating aid flows.

This approach has allowed government to remain firmly in the 'driver's seat', to 'pick and choose' among donors, and to match the donors' characteristics and preferences in order to meet the needs of particular sectors. Over time, the country has developed insights into the donors' different policy priorities and administrative procedures, and has tried to use them to optimal effect. Certain donors are

[3] Critics argue however that the efficacy of this planning system and the pre-eminence of the Ministry of Finance and Development Planning in aid management have been at the expense of broader participation of such groups as local government and civil society.

perceived to be better suited to particular sectors or types of support. Thus, for example, the Scandinavians were approached to support government's rural development programme because they were seen to be sympathetic to the rural development cause, insisted on very little tied aid, and offered relatively more flexible disbursement rules than other donors. As far as possible, like-minded donors have been encouraged to work together, and to specialise in particular sectors such as water, education, roads, etc. This has prevented any single donor dominating a sector, while at same time avoiding too many donors crowding a particular sector.

3.4 Seeking Compromise, but Willing to Say 'No'

By dealing with the donors on a bilateral basis, the Government of Botswana has been willing to enter into negotiations in order to work out arrangements that are satisfactory to both parties. Further, and perhaps crucially, it has been willing to turn down offers of aid where it feels that the recognised 'costs' of assistance would outweigh the potential benefits. It has likewise insisted on sometimes lengthy processes of negotiation and consultation in order to ensure that adequate agreements are reached.

The relationship has therefore been more one of equals, conducted in a comparatively transparent and business-like way, with the government probably holding the greater leverage. In principle, separate procedures and standards for aid-funded programmes have been avoided. The government may make concessions to particular donors to accommodate their specific conditions or requirements – such as in relation to accounting procedures, implementation approaches or policy concerns – as long as they are not considered to harm national interests.

4 Consequences for Capacity Development

The problems of lack of ownership, too many stand-alone projects, parallel structures, burdensome procedures and accounting requirements, and lack of coordination often associated with technical cooperation have, by and large, been avoided in Botswana. This has helped to ensure that TA makes a positive contribution to the strengthening of local institutional capacities, and that donors respect the country-driven development agenda and the principles of national execution.

4.1 On Ownership

It can be argued that there is broad-based political and administrative ownership of externally funded projects and programmes in Botswana. This has resulted from a number of factors:

- the country has taken the lead in inviting donors to contribute to its development agenda;
- all external aid has been integrated into the national development planning process; and
- the government has established a process of bilateral negotiations between the MFDP and donors in order to ensure that the donors' offers of assistance match nationally defined priorities.

4.2 On stand-alone Projects and Parallel Structures

Stand-alone projects and parallel structures such as project implementation units have on the whole been avoided. This has been possible due to factors such as:

- donor proposals are integrated into the national development plans, and are executed through existing government departments using established systems and procedures;

- TA personnel are assigned to established posts (line positions) and are accountable to the department in which they work; and
- project and advisory posts have not on the whole been created.

4.3 On Procedures, Accounting Requirements and Coordination

Generally, the country has been able to avoid the build up of multiple sets of donor procedures, accounting requirements and uncoordinated activities. This success can be attributed to a number of factors:

- all projects are executed through the government's planning, implementation and reporting structures and systems;
- the MFDP has assumed a central coordinating function – it acts as a gate-keeper for all technical cooperation;
- through careful negotiations, the government has been able to minimise the imposition of external management and accounting systems and procedures; and
- the government's strategy has been to limit the total number of donors, and to encourage like-minded donors to work together in particular sectors.

5 Conclusions – Is the Experience Replicable?

Whilst it is important to describe 'how' Botswana has been able to manage external resources, it may be more instructive to understand the context within which it has been able to do so. On this basis, one may better determine under what conditions the experience might be replicable.

It has been noted that many other developing countries have tried to incorporate external aid into their national budget systems, but with little success. Some commentators have also remarked that the structures put in place in Botswana for planning and managing public investment have been the same as in many other African countries, but with the difference that they have not collapsed. It has therefore been suggested that:

> *'…appropriate structures alone are not sufficient; the political, institutional and economic context must be conducive to effective management of aid.'* (Rakner, 1996, p.43)

There are indeed a number of contextual factors that seem to have enabled Botswana and its development partners to maintain a positive record in the management and utilisation of aid, and which explain why the government and donors have been 'willing' partners.[4]

5.1 The Donors' Perspective

One way of looking at this issue is to consider why donors have generally been willing to 'let go', and to integrate their resources into the national planning system.[5]

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[4] Interested readers may wish to consult the sources listed in the bibliography for further in-depth analyses of the issues raised here.

[5] This of course does not mean that there have been no 'run-ins' between the government and donors over questions of policy, strategy and implementation modalities, especially with respect to issues of participation.

Governance
There is evidence that Botswana's overall political climate has engendered confidence among donors, facilitating the development of a relationship of trust, and a positive climate for cooperation. In particular, Botswana

- has adhered to democratic principles, with free and fair elections;
- has a functioning parliament, which considers and approves national development plans;
- has adopted a liberal development model that is subscribed to by most donors; and
- was a symbol of openness and tolerance in the face of the apartheid regime in neighbouring South Africa.

Administrative considerations
Although Botswana is still suffering from severe human resources constraints, the civil service has demonstrated a satisfactory implementation capacity, such that donors have had confidence in the system to manage and account for its development resources. In particular,

- there is an effective and disciplined system of planning and budgeting;
- the civil service has been governed by principles of neutrality and impartiality;
- there are functioning and respected systems of internal accounting and auditing, and an effective Public Accounts Committee; and
- the civil service is committed to maintaining its implementation capacity, even though at times this has meant stalling localisation in specific technical areas.

Economic considerations
Apart from the period immediately after independence, public expenditure programmes have not been dependent on injections of aid resources. Donors have seen their resources being used as stimulants or supplements to domestic efforts. For the donors, this has given confidence that activities are locally owned (at least by the government), that they are financially sustainable and therefore have a reasonable chance of being maintained after the donors' withdraw. Further, Botswana's basic economic stability and continued high levels of growth have meant that the government has been able to afford its civil service, in terms of being able to offer adequate salaries and to upgrade infrastructure and equipment.

As remarked:

> *'Can it be argued that the fact that aid contributes to rather than dominates the macro-economic policies is a key explanatory factor for Botswana's success?'* (Rakner, 1996, p.43)

5.2 The Country Perspective

Equally, one might ask what factors have led the Botswana government to be well disposed to the donors.

Economic factors
Apart from during the early years, before the discovery of diamonds, Botswana has never been dependent on aid, nor has it suffered from a debt-servicing problem. With its own growing resource base, donor inputs have notdominated the economy. In particular, the government has been able to take care of recurrent costs and has been able to pay civil servants reasonable levels of remuneration. This has given the government leverage in its negotiations with donors, and the donors have never been in a position to impose policy conditionalities. As such, donors have not had to challenge fundamental domestic policy making, nor have they been perceived to be 'interfering' in issues of national sovereignty, such as macroeconomic policymaking or administrative reforms. On the contrary, aid has helped the political regime realise its development agenda and political success.

Geopolitical context
It has been argued that the peaceful transition from colonial rule to independence, as well as the fact that the country was not subject to large-scale European settlement during the colonial period, helped to create a positive climate for cooperation with the donor community. Further, during the apartheid era in neighbouring South Africa, the authorities in Botswana were anxious to build alliances with the donor community in order to reduce its dependence on its powerful neighbour, especially with respect to finance and human resources. Moreover, the country's first president wished to promote a democratic, multiracial society in the midst of a racially troubled southern Africa, and recognised the role that the donor community could play in achieving that goal, even though at independence the prospects for economic growth were bleak.

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